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Preface

This document has been prepared in conjunction with the Czech National Development Plan, and sets out the basis for receiving assistance from Phare and the Structural Funds in the sector of human resources development for the period 2000-2006.

The aim of the Operational Programme for Human Resource Development (the OP HRD) is "to ensure a high and stable level of employment founded on a highly qualified and flexible workforce".

The Operational Programme sets out three priorities and seven measures (see Chapter 2), covering issues surrounding the adaptability of employees and employers to changes in economic conditions and to new technology, the integration of specific groups in danger of social exclusion, and the development of lifelong learning.

The Operational Programme also touches on measures relating to the development of human resources that, due to their specific nature, should be incorporated rather into regional operational programmes. These concern the development of civic society, the role of the healthcare system, and the modernization of the public administration.

The priorities and measures set out in this document have been proposed as a response to the most serious problems and challenges identified in the National Employment Plan and the Consultation Document on Human Resources Development, specifically:

- key problems -

- the rapid rise in unemployment, in particular long-term unemployment;
- the relatively low level of funds available for an active employment policy and for the education system;
- the growth in unemployment among disadvantaged sections of the labour market and the danger of their subsequent social exclusion;
- the insufficient interconnectedness between the education system and the labour market, and the low level of engagement of employers and trade unions in the development, the bringing to fruition, and the funding of vocational training;
- the low level of state funding for industrial research and development in comparison with advanced countries;

- key challenges -

- the reinforcement of an active employment policy, and the launching of programmes to increase job opportunities for disadvantaged sections of the labour market;
- the development of vocational training in compliance with the principles of vocational training for the European labour market;
- the development of lifelong learning as a guarantee of each individual's continual development, and the implementation of corresponding changes in the structure, content and form of initial and further education;
- the extension of access to education for disabled groups in danger of marginalization or social exclusion;
- the integration of scientific, educational and production capacities with the aim of increasing innovation.

The OP HRD sets out:

- in Chapter 1 -

- a summary of the key social and economic factors affecting the Czech Republic in the area of human resources;
- a profile of the Czech Republic in the context of the European Union;
- a concise overview of previous financial support for the development of human resources from public funds and from Phare and other European Union sources;

- in Chapter 2 -

- an outline of the strategy for the development of human resources in the Czech Republic;

- a formulation of the strategic aims, priorities and measures that make up the OP HRD;

- in Chapter 3 -

- a financial plan for the period 2001-2001;
- an initial estimate of co-financing;

- in Chapter 4 -

- a description of administrative and financial measures for implementing the OP HRD.

CHAPTER 1: AN ANALYSIS OF THE ECONOMIC AND SOCIAL SITUATION IN THE CZECH REPUBLIC REGARDING HUMAN RESOURCES

1.1 Introduction

This chapter presents a summary of the economic and social situation in the Czech Republic regarding human resources. It sets out the key economic and social factors affecting the Czech Republic, and profiles its position in the European context.

The Czech Republic, with the exception of the Prague NUTS II region, will probably have a claim to support from Objective 1.

1.2 The current social and economic situation

Recently a number of documents setting out the key social and economic factors in play in the Czech Republic have been drawn up. These include the National Employment Plan, the National Development Plan, the Consultation Document on Human Resources Development, the Pre-Accession Economic Programme, the Joint Assessment of Employment Policy Priorities, and the National Programme of Preparation for Membership of the European Union.

Selected key social and economic factors given emphasis in the above-mentioned documents are summarized in the following section.

Level of economic activity:

- The level of economic activity among the inhabitants of the Czech Republic is traditionally high. Following a slight drop from its 1999 figure, it stood at 60.4% in 2000. This is higher than the EU average (figures in the EU range from approximately 45-50% in Italy and Belgium to 58-72% in Austria and Germany).
- The high level of economic activity among women in the Czech Republic is expected to be maintained. In 2000, it stood at 51.6%. The fall in economic activity in 2000 was more marked among men than among women.

Employment by sector:

- Employment in the service sector is gradually increasing: in 2000, 55.4% of all economic activity occurred within this sector (the EU average is almost 66%). In the same period, the level of employment in the agriculture and forestry sector fell to 5.0% and that in the industrial sector to 39.6%.

Unemployment rate:

- The number of people unemployed rose from 39,000 at the end of 1990 to 221,000 in 1991. The average unemployment rate in subsequent years fluctuated at around 3%. In 1997, a sharp rise in unemployment occurred, the rate increasing from an average of 4.3% in 1997 to 9.8% at the end of 1999. By the end of 2000, the unemployment rate had fallen to 8.8%. Predictions that it would reach 10-11% were therefore not borne out. The rate of unemployment since 2000 has been roughly comparable with that in the United Kingdom, Denmark and Portugal, and is roughly in line with the EU average of 8.0%. The unemployment rate in the Czech Republic compares favourably with that in other transition economies, e.g. 11% in Poland and 16% in Slovakia.
- The average rate of unemployment conceals marked differences between certain regions; at the end of 2000, for example, Most had an unemployment rate of 21.5%, Karviná 18.0%, Bruntál 17.2%, Louny 17.1%, Ostrava - Urban 16.6, Prague - East 3.0%, Prague - West 2.8%.
- On 31 December 2000, 57,938 graduates and school-leavers were registered as unemployed.
- Since more than 50% of all people registered as unemployed are under 35 years of age, unemployment among young people represents a serious problem.

Long-term unemployment:

- On 31 December 2000, the long-term unemployed (those out of work for more than six months) accounted for 56.2% of total unemployment, which represents an increase of 4.2 percentage points. The number of job-seekers in this group rose to 257,100 in absolute terms, i.e. by almost 3,700. 68.3% of this group consists of those who have been out of work for longer than a year. They account for 38.4% of the total number of unemployed.
- Long-term unemployment is higher, in both absolute and relative terms, in regions with above-average unemployment. The regions most affected by long-term unemployment are Most (proportion unemployed for over six months - 72.6%; proportion unemployed for over twelve months - 53.8%), Karviná (70.7%; 51.5%), Ostrava - Urban (66.7%; 46.8%), Teplice (65.5%; 46.9 %), and Ústí nad Labem (64.5%; 46.4%). The lowest proportion of long-term unemployed, in contrast, is to be found in those regions with the lowest unemployment: Benešov (26.7%; 12.8%), Pelhřimov (31.4%; 15.9%), and Jindřichův Hradec (36.7%; 24.0%).

Disadvantaged groups:

- The key disadvantaged groups are school-leavers and teenagers (12.7% at the end of 2000), disabled people (12.9%), people past the age of fifty (16.2%), mothers with small children, people with no or few qualifications, and the long-term unemployed.
- Within all age groups, the rate of unemployment remained at the same level or decreased slightly during the course of 2000.
- 20-29-year-olds continue to constitute the largest group of unemployed people: on 31 December 2000, they accounted for 36.2% of all registered job-seekers.
- According to available estimates, the level of unemployment among the Roma population is higher than among the general population, standing at about 60-70%.
- Unemployment among disabled people is a serious problem, its level having risen from 20,000 in 1993 to 59,025 at the end of December 2000, following a reappraisal of what constitutes full health and partial and complete disability.

Vacancies:

- The average number of job vacancies in 1996 was 98,900; by the end of November 1999, this had fallen to 36,900. The number of advertised vacancies subsequently rose again, to 52,000 by the end of 2000.

Small and medium-sized enterprises (SMEs) and self-employment:

- In 2000, the number of job opportunities in large enterprises declined, although in comparison with EU countries it remained high. According to estimates, employment in SMEs and self-employment has reached 10.2% of total employment (as against 7.7% in 1996).

Flexible forms of work:

- A mere 5.6% of total employment in 2000 was created by part-time jobs, which can be set against a European average of 17%.

Equal opportunities:

- According to the latest available data, the disparity in earnings between men and women hovers at about 26-27%; at the same time, it has been shown that there is a lower proportion of those vacancies in which women have most interest.
- The proportion of unemployed women in the total number of registered unemployed persons stood at 50.2% on 31 December 2000.
- In 2000, 43.5% of those in employment were women.

Expenditure on employment policy:

- The low allocation of funds from the state budget for an active employment policy persists (0.19% of GDP as against the EU average of 3% of GDP), enabling participation in active measures for only a limited number of job-seekers, e.g. 59,439 in 2000 (representing 12.0% of all job-seekers given work in 2000).
- For the sake of completeness, it should be added that today these sources are supplemented by funds to stimulate investment in new jobs and retraining, funds which in 2001 represented some 0.8 billion CZK (and which are expected to amount to 1 billion CZK in 2002). Indirectly, an IMF programme for supporting development in the Ostrava and Northwest Bohemia NUTS II regions also represented about 1 billion CZK in 2001 (a similar figure is expected in 2002). If these indirect activities are included, the active employment policy's share of GDP increases markedly.

Education:

- Currently only 4.7% of GDP is spent on education, as against 6% in advanced countries. This low level of support is especially evident in the area of further education. There exists no mechanism for ensuring the involvement of employers in financing vocational training, there is no legal framework, and responsibility for further education has not been determined or apportioned.
- The proportion of the population between the ages of 20 and 29 with a secondary education currently stands at 92%; in EU countries, the figure was 69% in 1995.
- Within the secondary-education system, however, a situation persists where only 60% of the relevant age group complete their secondary education.
- In the middle of the 1990s, only 12% of young people entered tertiary education; the figure in EU countries was double that.
- The current intake to tertiary education (universities and vocational colleges) represents 32% of the relevant year-group; demand for places is double the supply, even taking into account the uneven geographical distribution.
- The level of further-education provision stands at only 25% of that in advanced countries.
- Only 28% of the population between the ages of 16 and 65 receive any further education, as against 30-50% in EU countries.
- It is necessary to put in place the bases of further education - overarching principles, certification, legislation, appropriate infrastructure and the mobilization of corporate resources - on which to build and develop this system.
- Especially in secondary education, the concept of a wider general basis for vocational training and an orientation towards key skills (such as team work, working with information, using computing technology, creative problem-solving, etc.) is only beginning to develop. Its development must be supported, as ignorance of these key skills leads to employment problems among graduates.

Research and development:

- In 1998, total expenditure on research and development was 1.29% of GDP, in comparison with 1.84% in EU countries.
- The proportion of the state budget set aside for research and development was 36.8%, in comparison with 39% in EU countries. The business sphere contributed 60%, as against 53% in EU countries.
- From the employment perspective, there are (when the figures are converted into full-time jobs) 2.21 workers in the research-and-development sphere per 1000 inhabitants, whereas the EU average is 4.27 workers per 1000 inhabitants.
- Financial problems multiply because of the absence of indirect instruments for funding research and development, e.g. tax and credit relief, subsidized consultancy, and non-governmental funding organizations.
- 9.5% of investment into research and development (R&D) is directed at the university sector (in comparison with 21% in the EU), with the government sector's share at 25.7 (as against 16% in EU countries).
- The low level of investment in R&D is a result of insufficient privatisation, the long drawn-out restructuring of industry, and in particular the necessity of solving problems such as declining sales, indebtedness, frozen access to credit, etc.

The most important strengths and weaknesses, opportunities and threats in the development of human resources in the Czech Republic are set out in the following SWOT analysis, undertaken with supplementary information from the Consultation Document on Human Resources Development.

I. Strengths:

- High level of economic activity, especially among women
- Active employment policy and its instruments
- Active involvement of job centres in solving unemployment; experiences acquired from an active employment policy
- Workforce relatively highly educated (particularly to secondary level)
- Relative sufficiency of labour
- Relatively good level of professional training among second-tier health workers (nursing staff, paramedics, etc.)

- Uniform and open network of primary and secondary schools, and also libraries and information centres
- Decent level of functional literacy among the population; ability to improvise
- Growing importance society attaches to education
- High level of expertise among medical staff
- Comparatively flexible network of educational institutions and advisory centres of various types

II. Weaknesses:

- Fall in the demand for labour; growth in regional disparities in the provision of jobs
- Considerable rigidity in working practices: failure to make use of flexible and part-time arrangements
- Rapid growth in unemployment; growth in the proportion of long-term unemployed
- Relatively small amount of funds invested in an active employment policy
- Limited geographical labour mobility (due to the worsening of the housing situation and public transport)
- Higher proportion of women unemployed
- Insufficient access to medical care, particularly in border regions
- Weak motivation for certain population groups to assert themselves on the labour market
- Shortage of first-tier health workers (auxiliary staff) and second-tier health workers (nurses, paramedics, etc.)
- Marked growth, concentration and social exclusion of certain population groups
- Insufficient linking of the education system and the curriculum to the needs of the labour market
- Underdeveloped cooperation between the state, municipal, private and civic sectors
- Low level of involvement of social partners in shaping the content and organization of vocational and further education, and of employers in the financing of vocational and further education
- Absence of an integrated system of further education
- Effective absence of "permeability" in the education system
- Lower proportion of GDP currently spent on education than in advanced states
- Low proportion of people who go into higher education; consistently high proportion of applicants turned away; low level of involvement of higher education in research, for historical reasons
- Low level of state funding for industrial research and development in comparison with advanced countries
- Low level of involvement of higher education in research activities relating to the needs of business
- Lack of high-quality information systems; their inadequate linking
- Unsatisfactory way of financing social services encouraging the integration of disabled people in the community
- Insufficient level of training and provision of further training for public-sector employees
- Certain regions and districts inadequately served by public transport

III. Opportunities:

- Strengthening of the active employment policy; adoption of programmes to help disadvantaged groups become more employable

- Effective implementation of the National Employment Plan
- Promotion of further education among all groups of health worker
- Development of social services as an opportunity for women to assert themselves on the labour market
- Continuing transformation and modernization of the Czech education system
- Development of vocational training in line with the requirements of the European labour market and the requirements of employability
- Introduction of a modular format to vocational education, in particular professional training
- Realization of a system of lifelong learning for ensuring the maximum development of each individual; corresponding changes in the structure, content and forms of initial and further education
- Separation of key skills and the roles of various important educational institutions and organizations
- Widest possible cooperation of all those involved in education: state administrative bodies and local authorities, schools and other educational institutions, pupils and students, parents, and social partners
- Staffing of selected healthcare facilities with doctors trained to the highest modern standards
- Improvement of access to education; extension of opportunities for disadvantaged groups in danger of marginalization and social exclusion to get involved
- Optimisation of the school network at the regional level
- Use of multi-source financing for the education system
- Use of schools as multi-functional centres of learning in communities and regions for the further education of their inhabitants
- Integration of scientific, educational and production capacities to encourage innovation
- Introduction of indirect instruments for funding R&D in line with principles used in the EU
- Participation in European programmes (pressure to increase the competitiveness of Czech business; possibility of drawing from the Structural Funds; taking advantage of experiences abroad, etc.)
- Influx of immigrants as a way of dealing with the unfavourable demographic structure in the Czech Republic, marked by the growth in the proportion of inhabitants of retirement age
- Encouragement of the "brain gain" in the Czech Republic, both from EU countries and from outside the EU
- Founding of an Institute of State Administration to improve the performance of the public administration

IV. Threats:

- Continuation of the recession, with the effect of growing unemployment both in regions already affected and in regions affected only moderately up till now; inability of the Czech Republic to keep pace as a consequence of the failure to recognise and adapt to global trends (globalisation, the information revolution, etc.)
- Growth in unemployment and the deepening of regional disparities in unemployment
- Lack of correspondence between the careers available and the subjects studied in the education system; overall lack of connection between education and the labour market
- Failure to create a legislative framework, effective mechanisms, and an appropriate environment for the effective functioning of a system of lifelong learning
- Continued limited involvement of social partners and other potential contributors
- "Brain drain" of highly qualified medical personnel and of specialists in other fields
- Persistence of relatively low expenditure on education and developing human resources

- Continued failure of the Czech Republic to keep up with advanced countries in the area of funding for R&D
- Persistence of relatively low expenditure on the health service
- Growth in unemployment; growth in the proportion of long-term unemployed; deepening of regional disparities, affecting in particular regions hitherto focussed on the energy industry, mining or heavy industry
- Growth in the proportion of marginalized groups in the populations; related growth in "social diseases"
- Increased immigration to the Czech Republic as a cause of anticipated problems relating to the trend towards the creation of minority enclaves

1.3 The European Union context

The European Union opened membership negotiations with the Czech Republic on 30 March 1998. That same year, in compliance with the expanded pre-accession strategy, the Commission prepared a document entitled the Accession Partnership, which contained the basic priorities for the adoption of the *acquis*. Progress in implementing the Accession Partnership is evaluated in the European Commission's Regular Report, among other places.

Every year since 1998, the Czech Republic has prepared a National Programme for the Adoption of the *Acquis* (NPAA), which also defines the main priorities in preparing for accession. The programme draws on the priorities stated in the Accession Partnership and on the Commission's Appraisal, but is considered broader than the Accession Partnership. The latest version of the NPAA was approved by the government on 9 May 2001 (Resolution No. 439). The main priorities are the alignment of legislation, preparation for integration into the EU's international market, and reform of the public administration and judiciary. Great attention has been paid to preparing institutions for implementing and enforcing the *acquis*.

The National Programme states that:

- in the area of innovation, attention is being paid to education, professional preparation and youth; participation in the European Commission's education programmes and the further development of vocational education are considered major priorities; special attention will be paid to improving the situation regarding the education of the Roma population;
- in the area of employment policy, measures are in preparation to increase employment through the development of systems providing information on the job-market situation, the development of retraining, etc.; the amendment to the Employment Law brings about the further harmonization of Czech legislation with EU law prohibiting discrimination on the job market on the grounds of sex.

The European Commission is for the moment convinced that there are a number of factors that prevent candidate countries for 2002 from having access to the Structural Funds in the same way that member countries do, for the following reasons:

- the current initial phase of working out integrated national development plans;
- insufficient financial resources for an effective solution to all existing problems at the national level;
- lack of experience with the form of support provided by the Structural Funds;
- the absence of essential central and regional structures, procedures and control mechanisms for ensuring the effective implementation of the Structural Funds.

The following activities in particular should contribute to limiting the impact of these factors:

- the drafting of the National Development Plan, which may be considered the basis for working out integrated development plans;
- the annual increase over the last three years in the amount of funds provided for an active employment policy, education, and development programmes;
- the creation of Section 45 (Section for the Employment and Human resources Strategy) at the Ministry of Labour and Social Affairs, and the creation of regional offices (in NUTS II regions); the establishing of a monitoring committee and a management committee for human resources development.

In order to be able to solve the above-stated problems, and so that candidate countries can participate in structural policies, three basic implementation phases have been proposed:

- the Phare programme will carry on even after 2000;

- in the period between 2000 and accession, pre-accession assistance will be provided in the form of three financial instruments: Phare (supporting the preparation of candidate countries for EU membership), the Instrument for Structural Policies for Pre-Accession (ISPA) and the Special Accession Programme for Agricultural and Rural Development (SAPARD);
- after accession, the full implementation of the Structural Funds will be ensured.

The four Structural Funds - the European Social Fund (ESF), the European Regional Development Fund (ERDF), the European Agricultural Guidance and Guarantee Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG) - are the basic financial instruments of the EU's structural policy. The Cohesion Fund (CF) will also be of some importance for the Czech Republic, even if only vicariously for the development of human resources.

The Czech Republic, with the exception of the Prague NUTS II region, will probably have a claim to support from Objective 1.

Therefore, in compliance with new regulations on the use of the Structural Funds for the period 2000-2006, the Czech Republic will be entitled upon accession to draw funds for the development of human resources from both the European Social Fund (ESF) and the European Regional Development Fund (ERDF). These instruments were created to deal with the sort of disparities in economic and social development described in Section 1.2. In the period before EU accession, the Czech Republic will continue to make use of financial assistance from Phare.

1.4 State and public funding for human resources development in the Czech Republic

The following overview shows funding from public sources for key areas included in the OP HRD:

- In 2000, 9.08 billion CZK was devoted to the state employment policy, 5.68 billion CZK (62.5%) of which went on passive measures, and 3.40 billion CZK (37.5%) of which went on active measures.
- Total public expenditure on education in 1999 was 86.8 billion CZK, of which:
 - 7.9 billion CZK went on nursery schools;
 - 26.8 billion CZK on primary schools;
 - 1.7 billion CZK on primary schools for the arts;
 - 3.7 billion CZK on grammar schools;
 - 7.7 billion CZK on vocational schools and vocational colleges;
 - 6.9 billion CZK on trade schools;
 - 4.2 billion CZK on special schools;
 - 6.6 billion CZK on school dinners;
 - 3.2 billion CZK on accommodation facilities;
 - 12.7 billion CZK on higher education.
- Total expenditure from the state budget on research and development in 1998 amounted to 1.29% of GDP.

1.5 Previous funding from Phare and from EU funds for human resources development

The labour market

Since 1992, the development of the Czech labour market has been backed by the Phare programme. A number of projects have been (or are being) implemented to support the development of the employment policy and its instruments for improving employment services, and to support the development of grant systems for supporting projects directed at:

- education and job creation (PALMIF);
- services for disabled groups, and the integration of disabled people into society and the labour market (SWIF);
- promotion of human resources management in business (NTF).

In view of the limited resources - so far, about 30 million EUR have been allocated - the Phare programme has not been able to have any substantial impact on the state of the Czech labour market. However, it has contributed notably to the establishment of institutional structures and the creation of ties between them, and to the spreading of expertise. Existing implementation mechanisms and the experiences of central and regional coordinators in implementing these programmes will provide a considerable comparative advantage in implementing the OP HRD.

Education

The development of the education system has been funded through several programmes for European cooperation: the TEMPUS programme for higher education, and the Phare RES (Renewal of the Education System) and VET (Vocational Education and Training) programmes.

The Czech Republic has also been linked to other forms of cooperation through the projects National Observatories for Vocational Training, organized by the European Educational Foundation, Czech Education and Europe (a so-called sectoral study), Educating Teachers in European Affairs, Language Learning, etc.

The Czech Republic is already a fully-fledged member of the European mobility programmes Socrates, Leonardo da Vinci, and Youth for Europe. Much experience has been gained through the bilateral cooperation of schools themselves, as well as through the involvement of the Ministry of Education, Youth and Sport, and the Ministry of Labour and Social Affairs.

By 1998, funding from Phare set aside for the above-mentioned programmes and projects amounted to some 80 million EUR. In addition to this financial contribution, of great importance have been the experiences of pupils and teachers on foreign trips, experiences from cooperating on projects, and communication with foreign educational and other institutions and organizations, including businesses.

Research and technological development

The Czech Republic has gradually become involved in COST and EUREKA, international collaborative programmes in the area of research and development. Organizations from the Czech Republic participated in solving problems in the third and fourth EU framework programmes for research and technical development. The Czech Republic has been a fully associated member since the fifth EU and EURATOM framework programme.

The Czech Republic is a member of international organizations concerned with research and development. It is collaborating successfully with the NATO's Science Committee and takes part in its programmes. The Czech Republic is also involved in space exploration, mainly as part of European Space Agency programmes, and participates in the activities of the European Organization for Nuclear Research (CERN). Bilateral cooperation with foreign countries is growing, especially with advanced states. This cooperation is an asset not only in enabling the comparison of results, but also in its impact on the level of results attained in the Czech Republic.

The integration of scientific, educational and production capacities to increase innovation is occurring in harmony with the opportunities made available by R&D programmes such as the Ministry of Trade and Industry's Consortium programme and the Ministry of Education, Youth and Sport's Research Centres programme.

1.6 Joint evaluation of the employment policy, the National Development Plan, the National Employment Plan, and the Consultation Document on Human Resources Development

Chapter 2 sets out the strategy for human resources development in the Czech Republic that is to be financed in the period 2000-2006.

This strategy was formed on the basis of five key documents:

- **Joint Appraisal of the Employment Policy - Priorities for the Czech Republic**, which both the Czech government and the General Directorate of the European Commission for Employment and Social Affairs have adopted, contains a joint appraisal of the short-term priorities of the employment policy and the labour market. This document consists of a set of aims necessary for achieving progress in the Czech Republic in implementing the "European Employment Strategy" and in preparing the country for joining the EU. It identifies the main labour-market tasks in the following areas:
 - Policy directions resulting from structural changes
 - Labour-market measures
 - Preparation for vocational and professional education
 - The institutional and legislative framework:
 - The legislative framework for the employment policy
 - The reform of public employment services
 - Prerequisites for drawing from the European Social Fund
- The **National Development Plan** will be submitted to the European Commission in June 2001; according to Government Decree No. 470/2001, its completion is scheduled for the end of June 2002. This plan is a strategic document for EU assistance until 2006. It contains priorities in the following areas:
 - Improving the competitiveness of industry and the service sector
 - Developing basic infrastructure
 - Developing human resources

- Protecting and improving the environment
- Rural development and multifunctional agriculture
- Developing tourism and spa towns
- The **National Employment Plan**, approved by the Czech government on 5 May 1999, represents a new concept of employment policy with regard to the changing conditions on the labour market. The aims of the employment policy fall under the following priorities:
 - Promoting employability
 - Promoting small and medium-sized enterprises
 - Promoting the ability of businesses and their employees to adapt to change
 - Promoting equal opportunities for everyone
- The **Consultation Document on Human Resources Development** (prepared by working groups from the Ministry of Labour and Social Affairs, the Ministry of Education, Youth and Sport, the Ministry of Health, and the National Training Fund in January 2001) presents strategic approaches to human resources and sets out the overall aim of high and stable employment founded on a highly qualified and flexible workforce. The document lays down six priorities:
 - Solving problems of employment and human resources adaptability
 - Social integration and equality of opportunity
 - The development of lifelong learning; research and development
 - Civic society, and the social and cultural needs of people living in towns, communities and regions
 - Optimisation of the role and structure of the health service
 - Modernization of the public administration; extension of public participation in the management of public affairs
- **National Programme for the Development of Education in the Czech Republic - White Paper**, prepared by the Ministry of Education, Youth and Sport working group, and adopted by Government Decree No. 113 of 7 February 2001 after extensive public debate, deals with medium-term education concepts and should be implemented primarily by means of six strategic education policies:
 - Realization of lifelong learning for all
 - Adaptation of syllabuses and study programmes to the needs of living in an information society
 - Ensuring and evaluating the quality and effectiveness of education
 - Promoting transformation from within and openness in educational institutions
 - Transforming the role and professional outlook of educational workers
 - Moving from central control to responsible joint decision-making

CHAPTER 2: A DESCRIPTION OF THE CZECH REPUBLIC'S DEVELOPMENT STRATEGY: DIRECTIONS, PRIORITY AREAS, AND MEASURES

2.1 Introduction

The results of the analysis of the economic and social situation regarding human resources in the Czech Republic in the preceding chapter form the starting point for the strategy for developing human resources in the Czech Republic described hereafter. This strategy has been formulated within the context of preparations for joining the European Union, and takes account of support already provided and of investment in developing human potential both from Czech resources and from EU programmes.

The strategic aims for the development of human resources are set out in Section 2.2. The development strategy itself draws mainly from the National Employment Plan and two subsequent documents drafted as part of the preparations for drawing from the EU's pre-accession and structural funds: the Consultation Document on Human Resources Development and the National Development Plan. Aside from this, the strategy makes use of a range of important strategic documents, set out in Section 2.3, that deal with human resources development and that have been drawn up by various ministries.

Part of the preparation for the OP HRD consisted in the appraisal of all the relevant documents with regard to their strategic aims, priorities and measures, and to the possibility of their incorporation in this programme. The resultant aims, priorities and measures in the OP HRD are elaborated on in Part 2.4 and seven measures are specified, with a detailed description of the activities involved and their output.

2.2 Strategic aims

The principal strategic aim of the Operational Programme for Human Resource Development, as identified in the Consultation Document on Human Resources Development, is:

A high and stable level of employment on the basis of a socially advanced, highly qualified and flexible workforce.

This principal aim will be realized gradually through the achievement of the following three specific aims:

- ***A. Increasing employment by extending job opportunities and promoting employability among all population groups, in particular through the acquisition of skills and qualifications in demand***
- ***B. Developing a system of lifelong learning as a prerequisite for the development of human resources, linking together initial education and further education***
- ***C. Developing civic society and civic amenities as a prerequisite for the dynamic development of human resources***

Whereas the first two specific aims will be achieved through the Operational Programme for Human Resource Development, the third will be achieved through individual regional operational programmes.

2.3 Strategy for developing human resources in the Czech Republic

The strategy for the sectoral operational programme is based on the main government documents and the strategies prepared for the individual sectors:

- Economic Strategy for EU Accession
- Pre-accession Economic Programme
- National Employment Plan
- Consultation Document on Human Resources Development
- National Development Plan for the period 2000-2006
- Strategy for Reinforcing Growth in the National Economy
- Strategy for Czech Regional Development to 2010
- Concept of the department of the Ministry of Labour and Social Affairs to 2002
- Concept for education and for the development of the Czech education system
- White Paper on a National Programme for the Development of Education in the Czech Republic
- Consultation documents for other sectors (industry, transport and telecommunications, the environment, agriculture and rural development, tourism) and NUTS II regions
- Concept for the preparation of employees for public administration
- The "Industry" Sectoral Operational Programme for 2001-2006, in which the programme supplements for the "Industry" SOP for implementation in 2001 were approved by Government Decree No. 1092/2000; this programme contains one of the priorities for "Human Resources Development in Industry"

In light of these fundamental documents and of the key economic and social factors set out in Chapter 1 (including the SWOT analysis, which forms an appendix to the Consultation Document on Human Resources Development), **three key priorities for funding** from Phare and the Structural Funds **through the OP HRD** have been identified:

Priority 1: The solution of problems relating to employment and the adaptability of human resources

Priority 2: Social integration and equal opportunities

Priority 3: The development of lifelong learning

At the same time, a **further three priorities for funding** from Phare and the Structural Funds have been identified; these, however, due to their specifically regional character, **will be dealt with in individual regional operational programmes**. In order to present

a comprehensive picture of the issues surrounding human resources, the Operational Programme for Human Resource Development gives a concise description of the starting conditions in the given area and states the envisaged measures for achieving the following priorities:

Priority 4: Civic society; the social and cultural needs of people living in villages, towns and regions

Priority 5: Optimising the role and structure of the health service

Priority 6: Modernizing the public administration and extending public participation in the management of public affairs

Priority 1: Employment and the adaptability of human resources

As stated in Chapter 1, the level of economic activity in the Czech Republic, including that among women, is traditionally high. Nevertheless, the Czech labour market is experiencing dramatic changes linked to long-term restructuring and periodical difficulties in balancing supply and demand. With competition growing, finding a place on the labour market increasingly depends on the adaptability of workers.

In spite of the current economic difficulties, the service sector remains a promising sector for absorbing the workforce, and when the economy recovers, small and medium-sized enterprises have potential for the creation of new jobs.

Many firms will go through restructuring, requiring the retraining of employees; funding this may be difficult for businesses. During the 1990s, more than half of employees changed their career or position.

The characteristic feature of the job structure is its high proportion of full-time employees and marked rigidity. A mere 5% of employees work part time.

For these reasons, the strategy is directed both at the need to increase the adaptability of employees and employers to changes in economic conditions and to new technology, and at the removal of tax and administrative barriers to the development of small and medium-sized businesses, i.e. at promoting an active employment policy.

The specific activities proposed for this are set out Section 2.4, and include:

- raising employees' level of qualification and broadening retraining;
- creating jobs;
- introducing new forms of employment;
- developing new instruments for an active employment policy.

Priority 2: Social integration and equal opportunities

The current social and economic situation has been marked by the increasingly disadvantaged position of certain groups in danger of marginalization and of being cut off from work, education and society. The growth of these groups and the building up of their problems in situations where there is a high level of unemployment represents a serious problem in the pursuit of equal opportunity.

As stated in Chapter 1, unemployment among key disadvantaged groups (which include people with a criminal record, women with children, people at pre-retirement age, people with only an elementary level of education, and disabled people) is growing and is nearing 20%.

In certain groups (such as the Roma ethnic minority, disabled people and people with special needs, and young people between the ages of 15 and 19), unemployment is still alarmingly high, in some cases over 50%. In these cases, it is often a combination of disadvantaging factors that make access to work and education especially difficult.

Long-term unemployment (unemployment for more than six months), a special category with a very high incidence among the abovementioned groups, almost doubled between 1997 and 1999. As of 31 December 2000, it accounted for 56.2% of unemployment, representing an increase of 4.2% over the 1999 figure. 68.3% of unemployed people in this category have been out of work for more than a year.

For these reasons, the strategy is directed at solving the problems of social integration and equal opportunities for groups in danger of social exclusion.

The specific activities proposed for this (set out in Section 2.4) include, among others:

- new job opportunities and specific programmes for people at a disadvantage on the labour market and for the long-term unemployed;
- an integrated approach and collaboration with partners to promote social integration;
- the development of information, advisory and education services directed specifically at the needs of groups in danger of social exclusion;

- the promotion of equal opportunities for women and men on the labour market.

Priority 3: *The development of lifelong learning*

As stated in Chapter 1, funding for the education system represents a smaller proportion of GDP than in advanced countries, as is the case with the employment policy. There is no mechanism in the system of initial and further vocational education to ensure the participation of employers in funding and in creating study programmes.

A number of key education indicators are below the EU average, especially in the area of tertiary and further education. The number of admissions to tertiary education is still low and does not nearly meet demand. The amount of further education on offer represents only a small fraction of what is commonly to be found in advanced countries

Vocational education is not sufficiently broad, accessible or adapted to needs. The need for orientation towards key skills is not adequately appreciated, contributing to the difficulties for school-leavers in finding employment. Further education lacks an overall concept that would enable its development, appropriate certification, and the mobilization of corporate resources.

Research and development is notable for its low level of investment (especially in universities), its low level of employment, and the lack of indirect instruments for financial support. As a consequence of ongoing restructuring and stagnation, the low level of innovation within businesses does not create sufficient demand for research and development centres in schools.

For this reason, the strategy is directed at lifelong learning and at the important requirements for the development both of primary and secondary education and of tertiary and further education (including research and development capacities); indeed of the whole school system for the standpoint of lifelong learning.

The specific activities proposed for this (set out in Section 2.4) include:

- extending and coordinating the provision of further education, and promoting new learning strategies and progressive teaching methods;
- increasing the permeability of the entire education system;
- increasing the accessibility, permeability and capacity of tertiary education, and improving cooperation with business in the field of research and development;
- developing key skills, modular structures, certification, cooperation with social partners, and the monitoring and evaluation of education.

Priority 4: *Civic society, and the social and cultural needs of people living in villages, towns and regions*

Social and cultural development in the regions has been determined not only by state policy and the actions of state institutions; local initiatives and the activities of non-profit organizations and civic associations have also played a role. The development of this natural arena for civic society in the Czech Republic suffers from numerous shortcomings.

The problem is the diminishing of Czech society's internal cohesion, which weakens the capacity of its members to cooperate and solve common problems. The adverse effects of drug addiction, gambling and other social ills spreading among young people must be eliminated through the creation of programmes encouraging the productive use of free time, and other programmes providing educational and social-prevention functions.

The specific problems of ethnic minorities, local communities and small disadvantaged groups, which in certain cases can be excluded from social and economic ties in the regions (in spite of attempts by the state to the contrary), are becoming chronic, since without the expertise and cooperation of local initiatives they will not be solved through the normal instruments of state policy.

After 1989, there occurred a mass civic movement that attempted to renew or create various types of club, association, church organization and non-governmental organization (charities, organization devoted to caring for the environment or to social work, sports clubs, human-rights organizations, hobby groups, etc.).

The non-profit sector suffered from a lack of funds and the atomisation of activities, with the prevailing trend towards only short-term projects.

This priority will be accomplished within the framework of individual regional operational programmes, in particular by measures directed at:

- *funding the activities of non-profit organizations and civic associations in various spheres of social life, and developing the institutional foundations (including the information system) and the human potential for these activities;*
- *building partnerships between public bodies, private institutions and civic initiatives in the designing and implementing of programmes at the national, regional and local level, and promoting the engagement of the public in decision-making processes at the regional and local level;*

- *developing conditions enabling people of all generations, in particular children and young people, to make full use of their free time; and reinforcing the prevention of social evils, including preventive action for young people*
- *supporting educational, cultural and social activities that lead to an improvement in the living conditions of the inhabitants of a region and that contribute to a favourable image of the region; breaking down barriers to the involvement of national minorities and minority groups in the cultural, social and economic life and development of the regions.*

Priority 5: *Optimising the role and structure of the health service*

One of the key prerequisites - and, currently, also criteria - for the development of human resources is the level and quality of the physical and mental health of the population as a whole and of individual population groups. Human resources development cannot be reduced to the issue of employment, social integration and education, without taking into account the basic prerequisite of the physical and psychological state of health.

The current situation regarding healthcare is characterized by several positive features. The professionalism of healthcare workers, in particular doctors, is at a high level. The number of doctors and beds, and expenditure on healthcare as a proportion of GDP, corresponds to the conditions in advanced countries.

Over the past decade, the average lifespan of the population has increased, mortality has declined overall, and the results of paediatric care and the treatment of infectious diseases are comparable with those of the most advanced states.

On the other hand, a considerable proportion of healthcare facilities are in financial difficulties, and existing resources do not ensure the best possible allocation of funds. So far no system that can effectively control the quality and economical management of care provided has been drawn up. As a result of these shortfalls, it is necessary to allow for growing regional disparities in the provision of equipment and hence in the quality of care provided. A negative manifestation of shortcomings in prevention is the growing incidence and prevalence of several types of illness.

It is essential to avoid a situation where there are different services available in different regions, in terms of both access to the healthcare services and their quality.

This priority will be accomplished within the framework of individual regional operational programmes, in particular by measures directed at:

- *developing preventive medicine, particularly by shifting the focus to primary and community care, with a special emphasis on the care of high-risk groups and on the prevention of "social diseases";*
- *optimising the network of healthcare facilities in harmony with the newly formed self-governing territorial units; restructuring existing capacities on the basis of analyses of the specific needs of the given region;*
- *developing a system for the quality-control and monitoring of healthcare;*
- *finishing building up the emergency medical service.*

Priority 6: *The modernization of public administration and the expansion of public participation in managing public affairs*

The completion of reform processes within Czech public administration is impossible without the creation of a professional public administration system that displays basic competence in the quality of work done, results achieved and services provided, and in the improvement of administrative culture, ethical behaviour and political neutrality.

The gradual achievement of a high level of professionalism within the public administration cannot take place without the creation of an effective and high-quality system for training employees that is directed on one hand at improving the quality of preparation for future work within the public administration at school level, and on the other at introducing an effective system of lifelong learning for public-sector employees, in particular employees of self-governing territorial units.

Within a relatively short space of time, it has been possible, by making full use of experiences at home and abroad, and with the help of foreign educational institutions and experts, to draft, design and approve a *system for training public-sector employees*, i.e. employees of the state administration and of self-governing territorial units and elected representatives.

Furthermore, an "Institute of Public Administration" has been set up (by Government Resolution No. 349/2001), which establishes an entirely new approach to the education of public-sector employees, and which will as a consequence lead to a considerable improvement in the performance of the public administration.

The main aims in this area are the building up of high-quality, stable public-sector management, the improvement of personnel work in offices of the public administration, and the safeguarding of the system for educating public-sector employees.

This priority will be accomplished within the framework of individual regional operational programmes, in particular by measures directed at:

- *decentralization from central government bodies to the regions; the elaboration of a system for educating public-sector employees that is directed at employees of new self-governing territorial units;*

- *the creation of new offices with corresponding powers, duties and responsibilities, and their staffing with high-quality personnel; the improvement and stabilization of public-sector management, with an emphasis on transparent and high-quality personnel work in offices of the public administration;*
- *the creation of a functional information network connecting public administration institutions, specifying relations between the individual public administration institutions and increasing the quality and effectiveness of communication between them;*
- *adjusting Czech legislation to bring it in line with the legal regulations of the EU, and its effective enforcement.*

Main strategic instruments and principles

Strategies for the achievement of the specific formulated aims include:

1. Support for the institutions responsible for the development of the labour market, education, research and development: ministries, educational institutions, social partners, non-governmental non-profit organisations, state administration bodies and local government.
2. Drawing up of programmes, measures and instruments especially in the areas of further education and employment of specific groups of people.
3. Implementation of support programmes for (i) the legislative, material, personnel and informational aspects of education provision, (ii) increasing the quality of the courses offered by educational institutions in harmony with the needs of the labour market, (iii) achieving transparency of qualifications provided by the Czech education system with those of the EU, (iv) facilitating and broadening access to education and employment, and (v) creation of new jobs.
4. Implementation of specific programmes supporting cooperation between research laboratories and other 'innovation workplaces' in schools and businesses.

Fulfilment of the specified aims will be carried out using the following **common principles**:

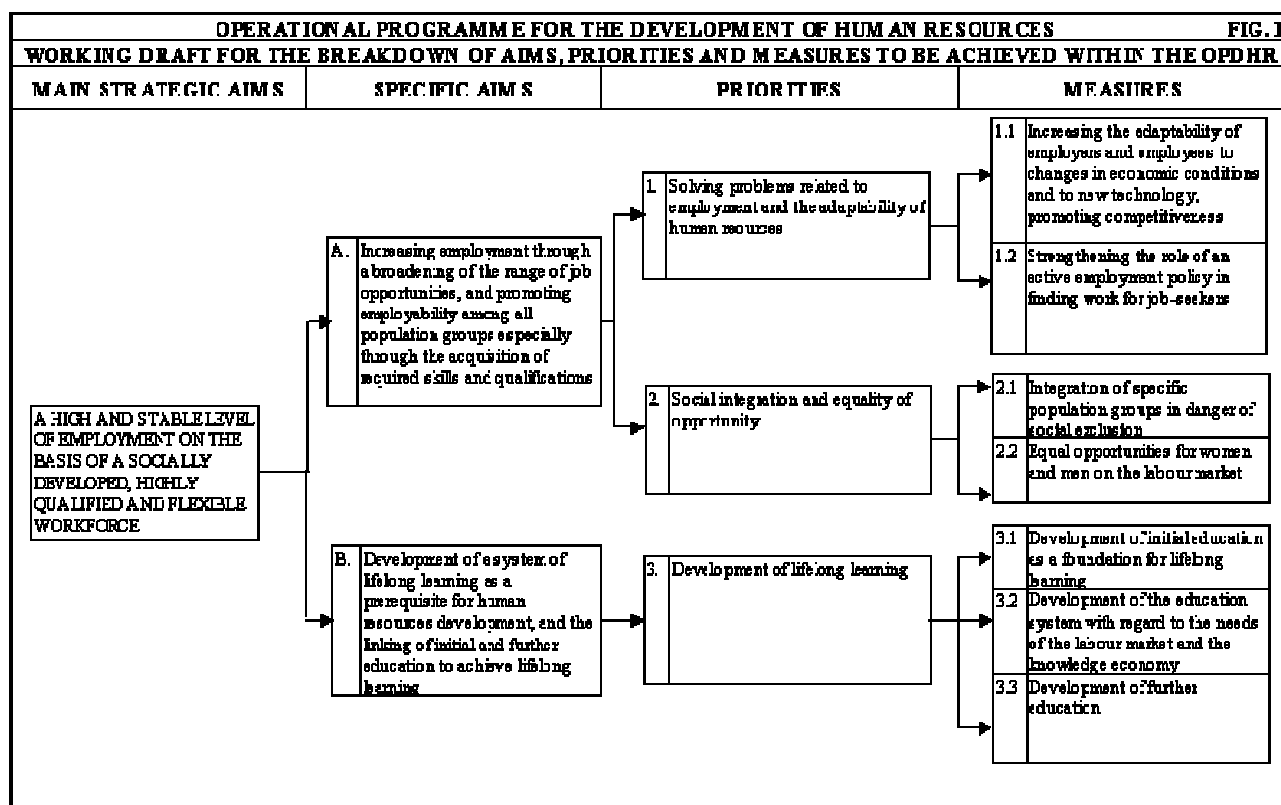
- equal access to education and employment
- equal access to healthcare;
- cooperation with social partners and other parties involved (employees' and employers' associations, non-governmental non-profit organisations, education institutes, local/regional authorities, autonomous local authorities and employers);
- respecting the conditions of sustainable development;
- shifting the focus of preventative care to the health, social and community areas;
- coordinated approach to strategies for the development of other sectors and regional development plans.

2.4 Priorities and measures for support from Phare and the structural Funds

The Operational Programme for Human Resource Development has developed three key priorities and seven measures:

1. Solution of the problems of employment and adaptability of human resources
 - 1.1 Increasing the adaptability of employers and employees to changes in economic conditions and to new technology; promoting competitiveness
 - 1.2 Reinforcement of the role of an active employment policy in finding work for job-seekers
2. Social integration and equal opportunities
 - 2.1 Integration of specific population groups in danger of social exclusion
 - 2.2 Equal opportunities for women and men on the labour market
3. Development of lifelong learning
 - 3.1 Development of initial education as the basis for lifelong learning, including the better use of existing educational institutions
 - 3.2 Development of the education system with regard to the needs of the labour market and the knowledge economy
 - 3.3 Development of further education

Fig. 1 provides a representation of the links between the aims, priorities and measures to be achieved within the Operational Programme for Human Resource Development.



SPECIFIC MEASURES

Measure 1.1 Increasing the adaptability of employers and employees to changes in economic conditions and to new technology; promoting competitiveness

BRIEF DESCRIPTION OF THE CURRENT SITUATION

The economic decline of traditional industrial enterprises and the slow growth of other types of economic activity has led to a general decrease in the total number of jobs available, with traditional sectors hardest hit. There has arisen an imbalance between actual needs and absorption capacity of the labour market on one hand and both the number and qualification level of school-leavers on the other. Even with a relatively high unemployment rate, the demand for qualifications required by the expanding sectors of business and handicrafts is not being satisfied. This is most evident in key competitive sectors, for which the requisite expertise and productive potential, or indeed human capital, is not sufficiently developed. Such sectors include microelectronics, biotechnology, industries based on new materials and sectors, clean technologies, telecommunications, robotics and machine tools, and computer hardware and software. The imbalance between the needs of the labour market and the "product" of schools, moreover, deepens public ignorance of, and resistance to, changes in the nature of employment, as does the low level of adaptability of educational institutions and the partial interest of their employees in retaining the existing strategy.

An advanced market economy requires constant adaptation, or more precisely the further training of employees in accordance with the changing needs of the labour market. The majority of employers at the level of small and medium-sized enterprises have relatively little ability or incentive to raise their employees' level of qualification. This state of affairs is tied in with the generally unsatisfactory conditions in businesses, also due to the low level of human-resources management. In recent years, company managements have needed a lot of drive to save companies and ensure their short-term survival. In many cases, companies' financial results depend on factors other than work productivity, product quality, customer satisfaction and investment in training.

The managements of traditional companies rely on a "hereditary" workforce, and do not have sufficient time or funds to provide employees with further training. When financial or marketing problems occur, it often reaches the point where the management is forced to lay off employees, or else the business folds.

Employers react inadequately to fluctuations in the manufacturing process (seasonality, temporary drops in sales, etc.); with employees, the ability to adapt to required changes is often limited, among other things by family situation, the current state of the housing market, and inadequate transport services.

Employees have practically no opportunity to interrupt their careers temporarily in order to gain new qualifications to meet the demands of a changing labour market. In the Czech Republic, that is to say, modern forms of employment relations (such as a part-time

work, job-sharing, the rapid provision of temporarily available workers to other employers in the form of contract work, etc.) are not sufficiently developed.

For the reasons stated above, it is necessary to take measures to promote the increased adaptability of businesses and employees to changes in the labour market, to develop new forms of employment relations, and to promote the continual growth in the qualification level of the workforce.

AIMS OF THE MEASURE

- To provide employers and employees with professional expertise, qualifications and skills needed to deal with occupational, structural and technological changes
- To improve the education system's flexibility with regard to economic, occupational and social needs
- To extend the range and increase the accessibility of retraining programmes
- To support the retention of existing jobs and to stimulate the creation of new jobs
- To improve the "information literacy" of employees
- To increase the competitiveness of employers

ACTIVITIES AIMED AT ACHIEVING THE MEASURE

- **Greater involvement of employers in increasing the qualification level of their employees** - promoting educational activities of employers, in particular those in small and medium-sized enterprises (SMEs), aimed at increasing, changing and broadening the their employees' qualifications; helping employers to effect the increasing, changing and broadening of employees' qualifications when economic and technological conditions alter; providing employees with opportunities to study
- **The development of human resources within organizations** - including the introduction of a system of learning organizations; the development of a benchmarking system for making comparisons with international practice at the organizational, subject and interdisciplinary level; the introduction of new schemes and modern methods of managing human resources and increasing the qualification level of employees, such as the rotation of employees, self-assessment methods, personnel audits, etc.
- **Study trips and the preparation of personnel** for promoting a better business culture, innovation and the development of quality-control systems; improving cooperation between organizations and universities
- **Retraining and improving qualification levels** - making further education and retraining more accessible to, and improving qualification levels for, target groups, and developing specific programmes for SMEs; making these programmes accessible to those interested in changing occupation or in setting up a business
- **Promoting the creation of new jobs and developing new forms of employment relations** - stimulating business and public-service activities through subsidies for job creation; stimulating investment through subsidies for job creation; promoting activities that extend the range of jobs with flexible working hours, part-time jobs, and job-sharing
- **Promoting the participation of individuals** in government-promoted priority programmes (programmes for acquiring expertise in the use and application of information technology, for broadening one's knowledge of foreign languages, etc.)

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD
- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new jobs or the retention of existing ones
- A clear demonstration of the relationship between the project and requirements for the solution of problems of employment and flexibility in human resources

- The involvement of the public, non-profit and private sectors
- Financial efficiency, including costs per unit output
- The share of the private sector and/or the non-governmental non-profit sector in financing the project
- The number of persons or organizations involved in the project

Specific criteria:

- Orientation towards the specific requirements of qualification (requalification)

OUTPUT INDICATORS

- Incentives for firms that draw up plans to improve their employees' level of qualification and that start an employment development programme
- The establishing of new fields of study in response to the proven requirements of the labour market
- The training of employees in identified areas of deficiency in qualification
- An increase in the budgets of small and medium-sized enterprises for improving qualification levels and for retraining
- An increase in the number of people entering further education

RESULTS INDICATORS

- An increase in labour productivity in industrial enterprises as a consequence of an improvement in employees' level of qualification
- An increase in the success rate of placing recipients of help in new jobs that make appropriate professional demands
- An increase in the number of people of working age who broaden or add to their qualifications
- The wide-ranging creation of new, sustainable jobs

ENVISAGED PROPOSERS OF PROJECTS

- Employers
- Job centres
- Small and medium-sized businesses

TARGET GROUPS

- Employees
- Employees threatened by unemployment
- Job-seekers

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria

DURATION

2000-2006

FINANCING

See the financial plan

Measure 1.2 Strengthening the role of an active employment policy in finding work for job-seekers

BRIEF DESCRIPTION OF THE CURRENT SITUATION

Part of the state employment policy consists of an active employment policy whose aim is to assist job-seekers in returning to the working process. The active employment policy comprises various forms of assistance in establishing new jobs provided both to employers when employing job-seekers and to job-seekers themselves when setting up their own businesses, and assistance with retraining.

The active employment policy is implemented in the Czech Republic by job centres run by the Employment Services Administration (ESA) of the Czech Ministry of Labour and Social Affairs. In the application of financial instruments, job centres draw both on the recommendations of the ESA and on an analysis of and prognosis for the regional labour market.

The fall in economic growth related to the sharp increase in unemployment and the job shortage began as early as 1997. During the next two years, unemployment grew still further, reaching a level of 9.8%. In 2000, however, there was a reversal of this trend, with unemployment at 8.8% by the end of that year.

An active employment policy promotes the social viability of economic reform, structural changes in employment, and socio-economic development in the regions; it reduces the financial demands of the state budget on a passive employment policy; it stimulates the search for new forms and methods of utilizing human resources; and it supports the subsequent direction of economic growth and enables the involvement of individual groups of job-seekers.

The fundamentals of the strategy for the state employment policy were drawn up in 1990 and consist in the highly intensive application of measures in an active employment policy. During the phases of transition, the strategy was one of the bases for maintaining a low level of unemployment. However, the intensity with which an active employment policy has been applied (expressed in the level of funds available) has decreased constantly in favour of a passive employment policy, in particular during recent years. Whereas in 1992 127,000 people who would otherwise be unemployed and claiming unemployment benefit found work through active policy measures, in 1996 this number was only 32,000. In both years, however, the average rate of unemployment had reached the same level of 3%.

One of the major problems of an active employment policy in the Czech Republic is the narrow range of instruments set out in law for such a policy; another is the inadequate assessment of these instruments' effectiveness, purposefulness and efficiency; these factors must be viewed from a social perspective - increasing the number of job-seekers going back to work and lowering the unemployment rate.

An active employment policy in the Czech Republic is based on programmes embracing the promotion of employment among disadvantaged groups, retraining and the promotion of job creation. These instruments, however, have already proved inadequate and not always wholly adaptable to the existing needs of the labour market. The hoped-for development of the labour market requires an increase in the scale of active employment programmes, with an emphasis on preventive measures that, among other things, enable groups of people who until now have been left on the sidelines to participate in these programmes.

AIMS OF THE MEASURE

- To enable disadvantaged groups to find their place on the labour market
- To prevent a growth in the number of long-term unemployed; concentrating on unemployed people (or the economically inactive) in immediate danger of unemployment
- To raise the quality of advisory and information services
- To create new forms of employment for job-seekers out of work for long periods
- To increase the flexibility of the instruments of an active employment policy
- To increase the effectiveness of existing instruments of an active employment policy; to encourage closer ties between labour-market institutions, educational institutions, job-seekers, communities and non-governmental non-profit organizations
- To increase the interest of employers in employment through the instruments of an active employment policy

ACTIVITIES FOR ACHIEVING THE MEASURE

- The provision of a wider range of opportunities for making use of an active employment policy - the development and application of new instruments of an active employment policy that lead to the increased effectiveness of the policy; the extension of active labour-market measures, directed at employers, that relate to people in danger of being laid off and to job-seekers
- The development of information and advisory systems for the labour market - labour-market analyses, monitoring and prognoses; the regular assessment of the labour market's development and of demand for jobs; the development and application of instruments and mechanisms for evaluating the effectiveness of active employment programmes and individual instruments; drafting prognoses, concepts and studies relating to the needs of different occupations and keeping these up to date; a self-service information system for finding work; the development of advisory services for employers; the education and training of advisors

- Timely intercession by job centres on behalf of job-seekers, and the provision of guidance and training; the provision of relevant information about the job market; recommendations for further qualification or retraining; support for programmes in which the parties concerned participate
- The creation of effective incentives for job-seekers to take jobs and employers to provide them - the motivation of employers to employ job-seekers; the possibility of temporary measures to favour those groups whose access to work has been impaired; the cooperation of towns and communities, employers, non-governmental non-profit organizations and job centres in the employment of job-seekers, their finding a place in the labour market and their attaining of qualifications
- The training and preparation of job-centre employees to take advantage of access to programmes on the basis of regional partnerships and about the possibility of multi-source financing for job-market measures in the regions

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD
- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new jobs or the retention of existing ones
- A clear demonstration of the relationship between the project and requirements for the solution of problems relating to employment and the flexibility human resources
- The involvement of the public, non-profit and private sectors
- Financial efficiency, including costs per unit output
- The share of the private sector and/or the non-governmental non-profit sector in financing the project
- The number of persons or organizations involved in the project

Specific criteria:

- Orientation towards the specific requirements of qualification (requalification)

OUTPUT INDICATORS

- The broadening of the active employment policy's scope through new instruments and programmes
- The launching of a website providing information about available jobs and the current needs of the job market, and educational opportunities at the national and regional level
- The provision of businesses with consultancy and information services for developing human resources
- The training of professional advisors and instructors in the area of retraining, career choice and career change
- The increasing of the number of employers using the instruments of an active employment policy

RESULTS INDICATORS

- A lowering of the unemployment rate among target groups

- An increase in expenditure (as a percentage of GDP) on an active employment policy
- An increase the capacity of the careers advisory service
- An increase in the number of job-seekers placed in jobs supported by the instruments of the active employment policy

ENVISAGED PROPOSERS OF PROJECTS

- Job centres
- Employers
- Educational institutions
- Non-governmental non-profit organizations

TARGET GROUPS

- The unemployed
- The long-term unemployed
- Job-seekers
- Graduates of vocational schools and colleges and of universities
- Employees threatened by unemployment

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria

DURATION

2000-2006

FINANCING

See the financial plan

Measure 2.1 The integration of specific population groups in danger of social exclusion

BRIEF DESCRIPTION OF THE CURRENT SITUATION

Although the unemployment rate had fallen to 8.8% by the end of 2000 (as against a figure of 9.8% at the end of 1999), there has been an apparent growth and concentration of several population groups that are in danger of exclusion from the job market and from society. Such groups include members of ethnic minorities (the Roma and other minorities); disabled people; recent school-leavers; women; people caring for children (in particular women with children); people with no qualifications or with only a basic level of education; people who have difficulties with reading, writing and arithmetic; people with a criminal record; drug addicts; asylum-seekers; homeless people; and people of pre-retirement age. The length of time for which people in these high-risk groups are unemployed is disproportionately high, meaning that the majority of them spend more than twelve months out of work and hence form another population group at considerable risk of social exclusion, i.e. those registered at job centres as long-term unemployed.

Giving employers incentives to take on members of these high-risk groups is not enough, notwithstanding the fact that job centres have at their disposal the instruments of an active employment policy, which can be used to encourage employment among these groups. Moreover, the longer the time one spends out of work, the harder it becomes to motivate oneself to accept job opportunities. The evaluation of positive discrimination towards socially vulnerable groups is made more difficult by the absence of the required data on the number and structure of high-risk groups at the local and national level, and by the absence of analyses of factors restricting equal opportunities in finding a place in the labour market.

For the reasons stated above, unemployment rate among people in these high-risk groups is consistently higher than the average. According to available information from various studies, this is particularly striking among the Roma population, where another negative factor making it more difficult to succeed on the labour market is evident: a low level of qualification. The situation with school-leavers worsens from year to year; there tends to a high percentage of school-leavers registered as unemployed especially in the autumn and winter months.

The instruments of an active employment policy are not sufficiently taken advantage of, and so under the current conditions it is not possible to create a systematic network of integrated rehabilitation for people with health problems, increase the motivation of people from threatened groups or act on employers to motivate them in such a way that to take on unemployed job-seekers from threatened groups would be economically advantageous for them.

AIMS OF THE MEASURE

- To make qualification and retraining programmes for people in danger of social exclusion more accessible, and to promote these individuals' motivation to take part
- To increase functional literacy among high-risk groups
- To create a system for the economic motivation of people in danger of social exclusion to enter employment
- To prevent the loss of the "working habit" and broaden the possibilities for refreshing basic working knowledge and skills
- To solve the problem of long-term unemployment as one of the main factors increasing the risk of social exclusion
- To launch a system of integrated occupational rehabilitation for disabled people
- To promote the creation of new forms of employment for people with special needs belonging to the groups at risk
- To support the jobs already available to people at risk of social exclusion
- To motivate employers to take on employees at risk of social exclusion

ACTIVITIES AIMED AT ACHIEVING THE MEASURE

- **The development of basic skills, education, qualification and retraining** - developing new forms of resocialisation/retraining activities aimed at finding a niche in the labour market for job-seekers from the ranks of the long-term unemployed, especially with regard to members of minority groups, young people without education and people with an elementary level of education who have problems with reading, writing and arithmetic; practical retraining programmes; programmes providing training in basic socio-professional and social knowledge and skills; programmes supporting economic and functional literacy, programmes for the gradual increasing of qualification levels in combination with the instruments of an active employment policy
- **The development of specific training programmes** for workers in employment services, non-governmental non-profit organizations, charities and other voluntary organizations operating in the area of employment and support for the socially excluded, and the transfer of experience from abroad
- **The development of specific programmes and new jobs for the long-term unemployed** - securing the appropriate elements of social services and other services; preference for the involvement of the non-governmental non-profit sector in securing selected services making use of job-seekers registered at job centres as long-term unemployed and the instruments of an active employment policy, promotion of experimental solutions (such as jobs on a "trial" basis or enterprise membership) and verifying their effectiveness
- **A comprehensive approach to the solution of problems faced by people with special needs and disabled people** - introduction of a system of integrated rehabilitation and balanced diagnostics in dealing with the problems of judging the residual working potential of disabled people, their occupational therapy, therapeutic rehabilitation, social and psychological guidance, and occupational rehabilitation through the activities of agencies; creation of a specific information resource for disabled people, providing information and databases through information networks and other media ('virtual mobility' for the disabled with information on retraining programmes)
- **The development of specific programmes and support for new jobs** - programmes integrating people in danger of social exclusion, involvement of risk groups in the provision of social services and other appropriate services; motivation of employers to take on people from one of the groups in danger of social exclusion and employ them on a trial basis; development programmes promoting employment on the open labour market; support for at-risk groups in entering the open labour market; use of social services for disabled people in their integration into the work process
- **Support for organizations already in existence providing programmes for integrating socially excluded people, working with those in danger of social exclusion and providing motivation programmes for independent activities** - active seeking out of new possibilities for independent economic activities orientated towards local needs, supporting the programmes of foundations, non-governmental non-profit organizations and voluntary organizations working with the socially excluded
- **Surveying of data and monitoring the assertion of groups in danger of social exclusion within the existing structure of the state or regional information system** - the number, structure, qualification level and other indicators necessary for effective intervention in favour of individual groups of people in danger of social exclusion, on the basis of voluntary self-identification

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD

- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new jobs for those in danger of social exclusion or the retention of existing ones
- A clear demonstration of the relationship between the project and requirements for the social integration of specific groups and for equality of opportunity
- The involvement of the public, non-profit and private sectors
- Financial efficiency, including costs per unit output
- The share of the private sector and/or the non-governmental non-profit sector in financing the project
- The number of persons or organizations involved in the project

Specific criteria:

- Orientation towards the specific requirements of qualification (requalification)

OUTPUT INDICATORS

- The creation and use of a network of balance diagnostics centres (BDC) for target groups, and the elaboration and introduction of integrated methods at BDCs for working with the unemployed
- The creation of new job opportunities for people in danger of social exclusion
- The inclusion of people in danger of social exclusion in integrated rehabilitation programmes
- The acceptance of new projects for the qualification and employment of people in danger of social exclusion
- Analytical data on the number, structure and qualifications of people in danger of social exclusion
- Training of workers for the development of new forms of supported employment

RESULTS INDICATORS

- The creation of new and sustainable jobs for people in danger of social exclusion
- An increase or change in qualifications of people of working age from the ranks of the at-risk groups
- A decrease in the employment rate among people in danger of social exclusion
- The creation of new jobs for job-seekers from the ranks of the long-term unemployed
- An increase in the number of non-specific retraining programmes available to those in danger of social exclusion

ENVISAGED PROPOSERS OF THE PROJECTS

- Job centres
- Non-governmental non-profit organizations
- Foundations

- Charities
- Voluntary organizations
- Out-of-school educational facilities

TARGET GROUPS

- Ethnic minorities
- Disabled people
- Young people
- People with only an elementary education or with no education
- People with a criminal record
- People dependent on addictive substances
- Mothers with small children (single mothers)
- People over the age of fifty
- Women and men during and after parental leave

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria

DURATION

2000-2006

FINANCING

See the financial plan

Measure 2.2 Decreasing the level of discrimination faced by women on the labour market

BRIEF DESCRIPTION OF THE CURRENT SITUATION

The number of women participating in the labour market rose slowly and uninterruptedly during year 2000 (in the same way as in preceding years). Women currently form more than 43% of employees on the labour market. More than three quarters of women of working age are in employment or have their own business. This represents the highest rate of employment of women in recent years. At the same time, it is anticipated that this level will continue to rise in line with the continuing growth in the service sector.

In spite of this, surveys and statistics suggest that women still face barriers, such as childcare, that prevent them from entering the labour market, and that there are also obstacles that limit their participation in educational activities connected with the development of the labour market, such as inadequate access to further education. Another side to the problem is the unequal valuation of comparable work performed by men and women: the difference in wages hovers around an average of 26-27% in favour of men, according to the latest available data. The promotion of activities to eliminate these and other obstacles is the main aim for increasing the potential employment of women.

Studies also confirm the opinion that studying recipients of aid only according to the narrow area of sex may also be misguided. Results of observations suggest that it is better for measurements to be compared with specific groups of women who face the greatest difficulties, such as single mothers (sole wage earners), women with few or no qualifications or with only an elementary level of education, and women returning to the labour market after a long period.

AIMS OF THE MEASURE

- To promote the education of women to enable them to find their place in non-traditional occupations
- To solve the problems that prevent women from participating in the labour market
- To develop and create activities eliminating the discrimination against women on the labour market

- To support women starting their own businesses

ACTIVITIES AIMED AT ACHIEVING THE MEASURE

- **Development of retraining and programmes raising women's level of qualification in non-traditional fields** - analysis and monitoring of the labour market, opening up further education and retraining, increasing qualifications for women and developing programmes to enable women to gain skills in non-traditional fields; making specific programmes accessible to women interested in a change of career or those interested in starting their own business
- **Promotion of the creation and development of new forms of employment** - stimulating business and publicly beneficial activities by subsidising the creation of new jobs; stimulating investment by subsidising new jobs; promoting activities broadening the range of jobs with flexible working hours, part-time jobs, 'job-shared' jobs and jobs with unpaid leave in the holiday period
- **Creation and development of programmes eliminating displays of sex discrimination on the labour market** - seeking out the most serious displays of discrimination, bringing new "anti-discrimination" programmes into practice, actively developing new possibilities for independent activities aimed at eliminating discrimination, and promoting the programmes of foundations, non-governmental non-profit organizations and voluntary organizations working with women

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD
- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new jobs for women, or the retention of existing ones
- A clear demonstration of the relationship between the project and the requirements for solving the problem of discrimination
- The involvement of the public, non-profit and private sectors
- Financial efficiency, including costs per unit output
- The share of the private sector and/or the non-governmental non-profit sector in financing the project
- The number of persons or organizations involved in the project

Specific criteria:

- Orientation towards the specific conditions of discrimination

OUTPUT INDICATORS

- Broadening the range of job opportunities for women
- Providing information and advisory services to women who are starting their own business
- Training specialist advisors and lecturers in the area of retraining, career choice and career change
- Creating new forms of employment relations appropriate for women

RESULTS INDICATORS

- An increase in the number of women with jobs in non-traditional fields

- A lowering of the unemployment rate of women
- An increase in the employment rate of women
- An increase in the number of women running their own businesses
- An increase in the number of women in part-time work
- An increase in the number of women employed in jobs with flexible working hours

ENVISAGED PROPOSERS OF PROJECTS

- Job centres
- Employers
- Educational institutions
- Non-governmental non-profit organizations

TARGET GROUPS

- Mothers with young children
- Single-wage-earning mothers
- Long-term unemployed women
- Women under threat of unemployment
- Women with an elementary level of education or with no education
- Women approaching retirement age
- Women considering starting their own business

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria

DURATION

2000-2006

FINANCING

See the financial plan

Measure 3.1 The development of initial education as the foundation for lifelong learning, including the better use of existing educational institutions

BRIEF DESCRIPTION OF THE CURRENT SITUATION

One of the basic tasks of initial education is to create the essential foundations for lifelong learning both in everyday life and at the workplace. The Czech Republic's primary, secondary, and tertiary education system, however, is not yet directed sufficiently at education in key skills in demand; nor has it developed, to the necessary extent, habits important for encouraging further education. Vocational education is not structured in a way that enables better access to education, the "permeability" of the school system, and links with further education. There is no systematic monitoring of the main parameters or assessment of the quality of education, and no requirements have been drawn up for facilitating the transition to vocational education and into practice.

In school education there are barriers between institutions; mechanisms for spreading innovation and developing modern teaching methods do not work; and insufficient use is made of information and communication technologies. The school system not only fails to pay sufficient attention to the development of exceptionally gifted pupils and students; it also provides few opportunities for a second chance to those who for various reasons have so far not succeeded.

The development of key skills (communicative skills, personal and interpersonal skills, the capacity to learn, problem-solving, the use of information and communication technologies, and numerical applications) as generally applicable skills in everyday working and personal life is a prerequisite if initial education is really to become the foundation for lifelong learning. The systematic development of key skills is impossible without a marked change in the current way of thinking about the education process and without the purposeful use of modern teaching methods.

The low level of horizontal and vertical permeability in the education system and the lack of interconnectedness between initial and further education may be gradually overcome by adopting a modular arrangement for "educational pathways" and curricula. The module, as a self-contained teaching unit with precisely defined aims and assessment criteria, enables certification even partial qualifications, so that failure to complete a full programme of studies does not mean leaving without any qualifications. Furthermore, this system enables students to build up credits for skills acquired previously, so that there is no need to repeat those parts of the course whose objectives have already been achieved.

The dramatic growth in the size of the tertiary sector in advanced countries in recent decades would not have been possible without its deep internal differentiation and the broadening of its role. Prospective students are offered short study programmes with a strong emphasis on career training and variety in the forms of study. In spite of a number of positive changes in the Czech tertiary sector during the 1990s, it has lagged far behind in this development. The new law on higher education, passed in 1998, has opened up opportunities for genuine diversification through the founding of private institutions of higher learning and, in particular, the creation of a new type of non-university tertiary institution. Together with the clarification of the status of higher professional schools, this will create the preconditions for facilitating the opening-up of this system to everyone, even to older age-groups, allowing the modular supplementation of existing educational achievements.

The basic indicators that provide information on the functioning and development of the education system are not systematically monitored. Internal self-appraisal in combination with external assessment (in which the school inspectorate and/or other assessment bodies, social partners and partner schools take part in various ways) should become the basis for the assessment of educational institutions.

Under the impact of democratisation, the network of secondary schools developed quite spontaneously during the first half of the 1990s. The result has been a relatively large number of small schools, a number of which are not able to make full use of their capacity. The inefficient use of invested funds is an obvious side-effect. The rigorous optimisation of this network (the pooling of material and human resources), while respecting the needs of regional job markets, is essential. The optimisation process must be founded on the cooperation of educational institutions with social partners and regional self-governing bodies.

Higher professional schools, provisionally verified since the beginning of the 1990s and legalized by an amendment to the education law in 1995, are becoming a promising element in tertiary education. The best of them have the justified ambition of moving into the higher-education sector and transforming themselves into, or being incorporated by, non-university institutions of higher learning. The sharp growth in the number of higher professional schools since 1995 has led to the creation of many very small higher professional schools with limited human or technical resources to enable them to develop fully their potential and attain high educational standards.

AIMS OF THE MEASURE

- To adapt the education system to the needs of lifelong learning through the teaching of key skills
- To facilitate access to education and increase the permeability of the education system, so that everyone can achieve an education appropriate to their abilities
- To create a modular structure for initial vocational education, linking up with a similar structure in further education, together with an interconnected certification system
- To complete the development of the tertiary sector
- To encourage monitoring processes, evaluation, and the spreading of innovation in education
- To make more efficient use of the existing capacity of the education system

ACTIVITIES AIMED AT ACHIEVING THE MEASURE

- **The development of key skills promoting the employability and flexibility of school-leavers** - promoting the creation of a national curriculum centring on the development of key skills; developing new or renewing existing training programmes aimed at developing key skills, making their use and implementation more widespread, and ensuring adequate teaching methods; providing methodological support for the initial and further education of teachers in key skills areas
- **The development of modern forms of teaching, including the use of information and communication technology** - promoting new learning strategies and progressive teaching methods, in particular project work and cooperative learning; supporting schools in the use of information and communication technology; creating networks of innovative schools and integrating them with ENIS (the European Network of Innovative Schools)
- **Promotion of the individualization and differentiation of the education process at all levels of the education system, including the encouragement of exceptionally gifted individuals** - promoting the vertical and horizontal permeability of the education system without regard to the age of the student; promoting the creation, spreading and implementation of programmes providing a second chance for young people who leave the education system without qualifications; introducing individual and other experimental forms of education; promoting the creation of networks of schools sharing knowledge about working with people with various talents; incorporating knowledge about the needs of talented individuals and about ways of working with them into the initial and further education of teachers

- **Transition to a modular arrangement for the "educational pathways" and curricula of vocational education** - promoting the development and proliferation of new educational modules and the exchange of experiences among schools, including the creation of systematic materials; educating teachers about these issues; creating a certification system for individual modules which ties in with a similar certification system for further education; preparing legislative changes enabling the transformation of educational institutions and teaching styles, and overcoming the current limitations in the system
- **Increasing the internal differentiation of tertiary education and facilitating its horizontal and vertical "permeability"** - establishing several new non-university institutions of higher education by taking advantage of the "transformation" (or merging) of certain state higher professional schools offering both bachelor's studies with a vocational slant and shorter courses within the framework of lifelong learning; supplementing these schools with extra staff and technical facilities; promoting their cooperation with institutions of higher education, similar institutions abroad, and the business sector; promoting promising fields of study (e.g. microelectronics, biotechnology, clean technologies, robotics, information and communication technologies, etc.); promoting the use of the modular European Credit Transfer System for a greater diversity of "educational pathways" and for increased mobility
- **Development of monitoring and evaluation of education** - developing mechanisms, methods and tools for self-appraisal and external assessment; developing methods and techniques for evaluating key skills (school-leaving examinations, entrance examinations); promoting international comparison projects; involving social partners in evaluation mechanisms; promoting projects for the external (even international) assessment of schools; educating management personnel in the school system and school inspectors; promoting projects for self-assessment within schools, including systematic help and the exchange of experiences among schools; promoting ways of distributing information about the quality of educational programmes and institutions to the public
- **Effective use of existing educational institutions (merging of higher professional schools, optimisation of the upper secondary school network)** - promoting the more effective distribution of the network of upper secondary technical schools and higher professional schools; promoting a higher profile for **higher professional schools**, and their orientation towards tertiary education in various forms; introduction, incentives, and analytical and information back-up for schools and regional authorities preparing for mergers, and assistance for schools in the process of merging.

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD
- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new, or the renewal of existing, educational programmes
- A clear demonstration of the relationship between the project and requirements for the solution of problems in the development of lifelong learning
- Financial efficiency, including costs per unit output
- The number of persons or organizations involved in the project

Specific criteria:

- Orientation towards specific requirements for developing key skills
- Orientation towards specific requirements for developing modern forms of teaching

OUTPUT INDICATORS

- The number of new or revamped educational programmes (study and apprenticeship branches that are modular, make use of progressive teaching methods, place a greater emphasis on the acquisition of key skills, are intended for young people with no qualifications, support talented individuals); the number of schools that offer these courses; the amount of systematic material available
- The number of schools joined to a network of innovative schools, and the number of schools connected to the ENIS network

- The number of schools engaged in cooperation and sharing knowledge about working with talented individuals
- The number of non-university institutions of higher education newly established or newly transformed from higher professional schools
- The number of promising new fields of study in tertiary education
- The number of projects for the internal and external assessment of schools
- The number of schools getting involved in projects for merging or network optimisation

RESULTS INDICATORS

- The number of people who gain a certificate by completing a new or revamped educational programme oriented at the development of key skills and making use of progressive teaching methods and individual forms of education
- The number of people who gain a certificate in a modular educational programme
- The number of people who gain a certificate by completing a course in a new field of study in tertiary education
- The number of young people with no qualifications given a second chance by new programmes
- The number of schools assessed as part of newly created evaluation projects
- The number of schools created in the process of merging and network optimisation
- The number of teachers given further education in the areas of key skills and working with talented individuals

ENVISAGED PROPOSERS OF PROJECTS

- Primary and secondary schools
- Higher professional schools
- District authorities, towns and communities
- Ministry of Education, Youth and Sport, and its service organizations

TARGET GROUPS

- Schools
- School pupils and students
- Young people with no qualifications
- Teachers

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria.

DURATION

2000-2006

FINANCING

See the financial plan

Measure 3.2 Development of the education system with regard to the needs of the labour market and the knowledge economy

BRIEF DESCRIPTION OF THE CURRENT SITUATION

The speed and extensiveness of the changes taking place in the economy (globalisation and technological development) and on the labour market (internationalisation, the development of occupations, and the new skills demanded of school-leavers) place new requirements on the education system and its ability to react to these ever more rapidly changing needs. It is necessary to seek out new mechanisms for mediating relations and communication between education and other elements in society.

The involvement of social partners (especially employers and trade unions) in the development of vocational education, something that is considered essential in advanced nations, is lacking in the Czech Republic, and is judged to be one of the greatest deficiencies in the vocational training system. This situation reduces the relevance of vocational education to the needs of the labour market, and therefore also reduces its quality.

The education system is not sufficiently in harmony with the needs of the labour market or the development of a modern economy. In a number of cases, although there has been a rapid reaction to new requirements (economic, financial and professional), there often persists an orientation towards the traditional areas required by economies based on large-scale industrial production. The reason for this is not only the slow progress of restructuring in the ranks of large industrial concerns, which keep to traditional areas of education, but also educational institutions' low level of flexibility and their resistance to change, the low level of communication with social partners, and sometimes also the red tape involved in the introduction of new study branches. However, it is also the case that an integrated system for the collection, evaluation and distribution of information regarding the development of the labour market and the trends in qualification requirements simply does not exist.

It is therefore necessary to increase the participation of employers and other social partners in formulating requirements for the content of educational courses and for the acquisition of those skills that will help school-leavers succeed on the labour market. Owing to the progressive internationalisation of the labour market, there is also an indispensable need to ensure the transparency of qualifications.

The involvement of social partners should not be confined to the mere formulation of requirements for the aims and content of education. It is necessary to find and introduce mechanisms for their participation at a countrywide, regional and local level, both in the creation of educational programmes and in the implementation of these programmes in schools. Collaboration with social partners also helps to link the aims and content of vocational education with professional standards.

Since 1990, research and development has gradually become more efficient under the impact of pressure to markedly reduce expenditure and the transition to specific financing from the state budget in the form of grant projects and programmes. The current problem is the low level of innovation and lack of interest in research and development among businesses, a consequence of the unfinished restructuring of businesses and the stagnation in the economy. The interconnectedness of both research and development and innovation in schools with the needs of businesses and their research centres is at an unsatisfactory level, and this contributes towards the insufficient transfer of research and development results into new products, technologies and services.

Certain quantitative and qualitative imbalances between vocational education and the labour market exist everywhere. Naturally these also affect the risks school-leavers are exposed to when entering the labour market. Apart from increasing the flexibility of school-leavers through orientation towards key skills, the adaptation of the content of education programmes to technological development, and the organization of work, it is also necessary to assist school-leavers in making a responsible choice regarding their educational and career paths. This should be widely promoted through a coordinated system for distributing relevant information and vocational guidance, available at any time and to anybody.

AIMS OF THE MEASURE

- To link vocational education to the business sphere
- To increase the involvement of employers and other social partners of schools in shaping the range of vocational education on offer and in the creation of educational programmes (or study and apprenticeship branches)
- To increase the involvement of employers and other social partners in implementing educational programmes (participation in teaching, and cooperation in providing practical training and work experience upon completion of studies)
- To strengthen and increase the effectiveness of higher professional schools and universities' cooperation with businesses and other social partners in research and development and in the transfer of knowledge and technology
- To facilitate the transition from elementary school to vocational school and from school to work, including the development of an integrated career guidance

ACTIVITIES AIMED AT ACHIEVING THE MEASURE

- **Participation of employers and other social partners in preparing educational programmes and in their evaluation** - promoting the participation of employers and their organizations in preparing school education programmes at a regional and local level; school-assessment projects linking internal (self-)assessment and external inspection involving the participation of employers and other social partners
- **Participation of employers and other social partners in preparing and implementing final and school-leaving exams** (the Maturita) - participation of experts from business in lessons, in the preparation of final and school-leaving exams, and directly in the exams themselves; final papers (small dissertations and practical projects) and collaboration on them
- **Programmes for improving the quality of practical training in branches at upper secondary vocational schools and broadening work experience at upper secondary technical and higher professional schools** - promoting the creation of networks of schools and employers to enable pupils learning trades to receive practical training in a real working environment, and to provide work experience for pupils at upper secondary technical and higher professional schools

- **Collaboration between higher professional schools, universities and companies in the area of research and development** - promoting innovation and the transfer of knowledge and technology for economic development in the form of projects involving collaboration between schools and companies in developing the human potential of research and development with the aim of motivating higher professional schools to cooperate with companies in collaborative R&D projects; partnerships between research centres and workshops in schools and companies, reciprocal study visits and exchanges (with the possibility of grants allowing external specialists from business to work in schools), and the use of experiences from abroad relating to the development of personnel capacities for research and development
- **Inclusion of issues relating to success on the labour market in education programmes in elementary and secondary schools** - altering education programmes in elementary and secondary schools to include issues relating to success on the labour market; preparing guidance material and teaching aids; promoting the participation of external specialists (employers, job centres, trade unions) in the preparation of pupils in these areas; promoting the education of teachers in these areas
- **Development of an information and counselling and guidance systems to facilitate the transition from basic education to secondary education and from school to work** - developing procedures for providing medium-term forecasts for the labour market and for developments in qualification requirements at a countrywide and regional level; promoting collaboration between the various counselling -service providers (information and counselling centres at labour offices and Pedagogical and Psychological centres educational counsellors and social partners) and the exchange of information between them; creating a regional network of vocational guidance services; providing training for educational counsellors and others; preparing guidance and information materials for potential users of the guidance system, including websites and internet applications

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD
- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new links between employers and schools
- A clear demonstration of the relationship between the project and requirements for the linking of vocational education with the requirements of the labour market
- The involvement of the public, non-profit and private sectors
- Financial efficiency, including costs per unit output
- The share of the private sector and/or the non-governmental non-profit sector in financing the project
- The number of persons or organizations involved in the project

Specific criteria:

- Orientation towards the specific requirements of helping school-leavers in their placement on the labour market

OUTPUT INDICATORS

- The number of education programmes in which employers and other social partners participate in the preparation and implementation of the programme
- The number of schools in which employers and other social partners participate in the preparation and implementation of final and school-leaving exams (the Maturita)
- The number of school-business partnerships for practical training and work experience
- The number of school-business partnerships for collaboration on R&D projects

- The number of schools with education programmes incorporating issues of success on the labour market, and the number of methodological materials made available
- The number of partnership networks for the exchange of information relevant to guidance and counselling
- The number of methodological materials for guidance and counselling available

RESULTS INDICATORS

- The number of school-leavers who gain a graduation certificate from an education programme prepared and evaluated with the participation of employers and other social partners
- The number of school-leavers who take final and school-leaving exams (the Maturita) prepared and administered with the direct participation of specialists from companies
- The number of pupils who take part in practical training and work experience in a real working environment
- The number of scientific-research workers who take part in new joint projects with businesses directed at collaborative research and development and the transfer of knowledge and technology
- The number of pupils from elementary and secondary schools who attend systematic lessons about the problems of succeeding on the labour market
- The number of users of the guidance system for facilitating transition from elementary school to secondary school and from school to work
- The number of teachers who have received further education dealing with how to succeed on the job market
- The number of educational counsellors and other guidance workers who have received systematic training

ENVISAGED PROPOSERS OF PROJECTS

- Basic and secondary schools and higher professional schools
- Institutions of higher education
- Social partners, employers and their representatives
- Regional authorities, towns and communities
- Labour offices and institutions being in charge with counselling and guidance
- Ministry of Education, Youth and Sport, and its service organizations

TARGET GROUPS

- Schools
- School pupils and students
- Scientific and research workers
- Teachers
- Counsellors

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria

DURATION

2000-2006

FINANCING

See the financial plan

Measure 3.3 Development of further education

BRIEF DESCRIPTION OF THE CURRENT SITUATION

In spite of its rapid development during the 1990s, further education has not contributed to a sufficient extent to the development of qualification levels and the flexibility of human resources in the Czech Republic. The further education sector lacks a well-thought-out strategy and the essential legislative and institutional environment that could stimulate and direct its development. As a result, not even those parts of vocational further education that fall within the aims of employment programmes (the National Employment Plan and the Employment Action Plan) can be resolved. In reality these aims cannot be achieved because of the lack of the necessary conditions within the system and the lack of consensus among participating partners. However, in the last two years, the first drafts of documents marking out the aims and methods on which the development of the further education system rests have been created. These include, most importantly, the government-approved White Paper on a National Programme for the Development of Education in the Czech Republic, and possibly also other draft documents such as the Strategy for the Human Resources Development.

The powers and responsibilities of the participating institutions and partners have not yet been sufficiently delimited to allow the effective foundation of the system; nor has an appropriate legal environment been created that would above all allow for largely free education, with financial contributions expected only in certain types of education specifically aimed at companies. The level of financial resources devoted to further education is insufficient, and government participation (except in retraining courses and studies while in employment) is negligible. Incentives such as tax relief have been proposed in various documents; however, their implementation has not yet taken place due to the obscurity of its means of financing.

No system of recognised qualifications linking the education and employment spheres is currently in existence, and employers and other social partners have until now had little involvement in the development of the content and method of education or the requirements for its certification (the issuing of certificates for completing certain standardized parts of the educational course). The exception are certificates issued for completing educational courses that are not standardized or externally assessed; assessing their comparability with regard to their content and level of difficulty is therefore problematic. Certificates from further education are not comparable with those from the school system, because the two certification systems are not linked. The possibility of partial certification for short-term, unfinished or non-formal education is currently lacking.

The range of educational courses available is broad, but of variable quality. In practice there are no high-quality information and advisory services that could facilitate orientation in this field, especially for those with the greatest need, i.e. those with low levels of qualification or other disadvantages on the labour market. However, information systems for orientation within the field (DAT and ISTP) are currently nearing completion. No monitoring or evaluation of the quality of further education takes place.

Further-education providers are in many cases rather small and weak companies, and links to schools are inadequate. Access to high-quality expertise and experience in foreign firms is limited. The improvement of the quality and the systematic broadening of the range of courses on offer have thus been retarded, from the perspective of the needs of companies and the labour market. The use of progressive forms and techniques of education is still not widespread, and the education of those who provide further education - teachers, instructors, trainers, management and administrative personnel - is not effectively promoted.

In comparison with EU countries, the Czech Republic lacks adult-education and training centres providing generally recognised qualifications to all interested adults (adults who have finished school and begun work but who for various reasons need to acquire other qualifications, or more specialized ones) and offering a broad range of qualification programmes founded on methods and approaches to the development of skills directly linked to the needs of the labour market in the regions, and operating with state support.

AIMS OF THE MEASURE

- To create a further-education system and a corresponding regional infrastructure providing further and specialized qualifications to adults on the basis of forms, methods and approaches founded on the development of skills directly linked to the needs of the labour market and funded from the state budget
- To create the conditions for the establishment of a system for verifying and recognising qualifications gained in the further-education system using an accreditation and certification system connected with the system of certification used in initial education
- To improve access to information, advice about the range of courses available, and the quality of further-education services
- To develop the range of courses on offer (new programmes including distance learning, anticipating the needs of employers)
- To involve schools in the further-education system
- To increase the technical knowledge and teaching abilities of instructors, consultants, teachers, and management and administrative personnel working in the further-education sphere
- To involve institutions for vocational further education to a greater extent

ACTIVITIES AIMED AT ACHIEVING THE MEASURE

- **The foundation of a system of vocational further education** - preparing instruments, mechanisms and a complex methodology for the foundation and development of a system of vocational further education providing further and more specialized qualifications for adults, a system directly linked to the needs of the labour market in the regions, in connection with the findings of the White Paper on a National Programme for the Development of Education in the Czech Republic; creating procedures for standardizing the content of adult education leading to qualifications; standardizing skills profiles for individual qualifications; creating procedures for verifying knowledge and skills by means of an accreditation and certification system; applying forms, methods and procedures founded on the development of skills; introducing methods for quality control; creating financing procedures
- **The creation of an infrastructure for vocational further education in the regions** - building up a network of education and training centres for vocational further education in the regions; designs and specifications for technical equipment needed for the centres; investment in the fitting of technical equipment for vocational training; elaborating organization and management models; developing a comprehensive methodology for adult education and guidance; education and development programmes for social partners and other regional partners engaged in the area of adult education
- **The development of a further-education support system** (information, analytical, guidance and diagnostic services) - creating a system of information overviews about the range of further education on offer and ensuring that this is kept up to date; promoting activities leading to the creation of a system for evaluating the quality of further vocational education; promoting guidance for the preparation of projects in further vocational education; creating and applying methods for the individual analysis of knowledge and skills; spreading and applying methods for forecasting the needs of the labour market and balancing the qualification potential of the regions; promoting guidance services aimed at individuals, using diagnostic techniques; providing information about educational possibilities and prospects for professional development in relation to the needs of the labour market
- **The broadening of the range of further-education courses on offer in accordance with requirements for the labour market, for economic development, and for the development of the public administration** - developing new further-education programmes; promoting cooperation between companies and educational institutions in the preparation, implementation and evaluation of education programmes; promoting the modularisation of education programmes in the narrow range of cooperation between the enterprise sphere and the public administration (particularly at the level of self-governing territorial units) and in relation to the system of recognized qualifications; promoting a programme giving a second chance to workers with few qualifications; developing distance learning and multimedia learning environments
- **Involvement of schools in aspects of further education** - support for schools in the creation of specific education programmes for adults; promotion of the involvement of vocational schools in adult education; promotion of partnerships between schools and companies in the preparation of educational programmes
- **The education of instructors, consultants, examiners, teachers, and management and administrative personnel working in the field of further education** - developing and implementing education programmes for these target groups; passing on good experience and expertise; promoting associations of educational and advisory institutions to work on the creation of a system (including certification) for the further education of instructors, consultants and teachers; training instructors, teachers and management personnel in conjunction with the objectives set out in the Sectoral Operational Programme for the Development of the Further Education System
- **The experimental testing of new approaches** linking school and out-of-school education systems to increase their social and occupational integration, i.e. applying the experience of vocational further education in the school system

CRITERIA FOR SELECTING PROJECTS

General criteria:

- A clear demonstration of the relationship between the project and the strategic aims of the OP HRD
- A demonstration of the complementary nature of the social and economic benefits to be derived from assistance from Phare or the Structural Funds
- A demonstration that the presenter of the project fulfils competency requirements
- A proposal for the activities to be financed from Phare funds or the Structural Funds
- A quantification of outputs and a statement of attainable goals
- The drafting of a properly prepared budget that includes co-financing

Priority-level criteria:

- The creation of new opportunities for further education
- A clear demonstration of the relationship between the project and requirements for the solution of problems in further education
- The involvement of the public, non-profit and private sectors
- Financial efficiency, including costs per unit output
- The share of the private sector and/or the non-governmental non-profit sector in financing the project
- The number of persons and/or institutions involved in the project

Specific criteria:

- Orientation towards the specific requirements of further education

OUTPUT INDICATORS

- The creation of a system of adult education, including instruments and methods
- A network of education and training centres for adult education
- The creation of an information system giving an overview of the range of further education on offer
- The number of standardized qualification profiles
- The number of programmes corresponding to the requirements of qualification profiles
- The number of newly developed programmes corresponding to the demands stipulated by the qualification system, including the creation of modules
- The proportion of education programmes using progressive teaching methods and approaches based on the development of skills, including distance learning
- The number of new education programmes for the further education of instructors, consultants, teachers, and management and administrative personnel
- The number of qualified instructors, consultants and teachers
- The number of instructors, teachers and management personnel taking part in training regarding the provision of vocational further education in conjunction with the aims stated in the Operational Programme
- The number of schools providing courses in vocational further education

RESULTS INDICATORS

- The number of training and educational centres for adults
- The number of qualified graduates from new qualification programmes
- The number of users of the information systems
- The number of users of the guidance services
- The number of trained instructors, consultants, teachers and management personnel

ENVISAGED PROPOSERS OF THE PROJECTS

- Educational and counselling institutes
- Employers and other social partners
- Associations of educational institutions
- Regional authorities
- Towns and communities
- Ministries and their service organisations
- Labour offices
- Non-profit organisations

TARGET GROUPS

- Instructors and consultants

- Teachers
- Administrative and management personnel from schools and adult-education institutions
- Company personnel managers
- Specialists from research centres
- Labour office counsellors
- Specialists from the state and public administrations and from regional authorities
- Specialists from employers' associations and trade unions
- Adults

GEOGRAPHICAL COVERAGE

The whole of the Czech Republic, with regional differentiation according to accepted criteria

DURATION

2000-2006

FINANCING

See the financial plan

CHAPTER 3: FINANCIAL PLAN FOR 2001-2003 AND AN INITIAL ESTIMATE FOR CO-FINANCING

3.1 Introduction

The initial estimates for co-financing must be taken only as an indication of the final figures. For the time being, it is not possible to specify the amounts for 2004-2006 more precisely than has been done in the Czech National Development Plan, and this estimate will be made more precise following the comments of the European Commission (see Government Decree No. 470 of 14 May 2001).

The estimates are based on the amounts indicated in European Commission documents (in particular Agenda 2000). The estimate for the funding framework of individual priorities will also encompass amounts that will probably be included in the chapters on cooperation between public administrative departments and bodies. *Apart from the Ministry of Labour and Social Affairs (MoLSA) and the Ministry of Education, Youth and Sport (MoEYS), this may involve the Ministry of Trade and Industry (MTI), the Ministry of Health (MH), the Ministry for Regional Development (MRD) and the Ministry of the Interior (MI), as well as regional bodies.*

It will be possible to be more precise once there is a clear statement of the role of state administrative bodies (e.g. job centres) in the realization and co-financing process following negotiations with the European Commission.

Flow of funds

The flow of funds from existing Phare programmes will be guaranteed in accordance with Government Decree No. 274 of 15 March 2000 on the Proposal for a System Governing Relations between the Pre-structural and Structural Funds, the State Budget and Other Potential Sources of Financing. By this same decree, the government approved the Guidelines for the Management of Funds during the Implementation of European Union Pre-accession Aid Programmes (Phare, ISPA and SAPARD) in the Czech Republic. These guidelines modify the rules for managing funds during implementation of the above-mentioned programmes, which are specified in more detail in the Phare 2000 Flow-of-Funds Manual.

3.2 Table indicating levels of funding (in millions of EURO)

Priority	2001			2002			2003		
	EU	ČR	total	EU	ČR	total	EU	ČR	total

1	1.7	1.7	3.4	5.1	2.2	7.3	11.1	3.6	14.7
2	1.0	1.5	2.5	1.7	0.7	2.4	11.1	3.6	14.7
3	1.3	1.5	2.8	1.2	0.5	1.7	11.0	3.6	14.6
1-3 total	4.0	4.7	8.7	8.0	3.4	11.4	33.2	10.8	44.0
4*	0.7	0.2	0.9	1.0	0.3	1.3	2.0	0.5	2.5
5*	0.6	0.3	0.9	1.0	0.5	1.5	1.0	0.5	1.5
6*	1.0	0.5	1.5	2.5	1.2	3.7	5.0	2.5	7.5
4-6 total	2.3	1.0	3.3	4.5	2.0	6.5	8.0	3.5	11.5
1-6 total	6.3	5.7	12.0	12.5	5.4	17.9	41.2	14.3	55.5

The figures in the table were calculated using an exchange rate of 1 EUR to 35.00 CZK.

**) indicates estimates that will be made more precise following the drafting and approval of regional operational programmes*

Comments and explanations regarding the table

Funding shown in the table's EU columns for priorities 1 - 3 of the third "priority axis" primarily encompasses the following programmes:

CZ 99/IB/CO-03	Twinning CONSENSUS III - Support for the development of strategies and the use of current structures and mechanisms for future funding from the European Structural Fund (ESF)
CZ 99 02-02	Comprises: <ul style="list-style-type: none"> a. Twinning 99 programme - support from the ESF and the National Employment Action Plan 2002 - 0.5 million EUR b. Palmif 99 programme - 1.2 million EUR (with co-financing at 0.3 million EUR) c. TA programmes - 0.3 million EUR
CZ 00-10-02	Phare 2000 programme for the Northwest Bohemia NUTS II region, Human Resources Development (HRD) Fund - a budget of 2 million EUR and co-financing from the state budget at 2 million EUR
CZ 00-10-03	Phare 2000 programme for the Ostrava NUTS II region, HRD Fund - identical financing to the previous programme
CZ 00-10-01	Twinning 2000 - support for institutions - joint ESC programme for the MRD, MTI and MoLSA with a budget of 1.5 million EUR (estimated support for HRD - 0.5 million EUR)
CZ 01-10-03	Twinning 2001 - support for institutions - joint ESC programme for the MRD, MTI and MoLSA with a budget of 2 million EUR (estimated support for HRD approx. A third of that - 0.7 million EUR)
Phare 2002-3 IN-HRD	Upcoming Phare 2002-3 programme, submitted as a grant scheme for HRD, working with a budget of 12 million EUR; countrywide scheme - co-financing from the state budget at 4 million EUR
Phare 2002-3 EQUAL	Upcoming Phare 2002-3 programme - an EC initiative; this year saw the commencement of the first three-year EQUAL cycle; estimate for the creation of a development partnership - about 10 million EUR (with co-financing from the state budget at around 3.3 million EUR)
Phare 2002-IB-ESF	Upcoming programme of technical support for Twinning, for preparation for the ESF; completion of institutions - about 1 million EUR
Phare 2002-TA- Twinning	Upcoming programme for building education centres and supporting a system of lifelong learning, with a budget of about 2 million EUR

Phare 2002 dev. of empl. services	A Twinning programme that aims (as part of its support for the public administration) to promote a system of employment services, in order to create the prerequisites for implementing the National Employment Action Plan - about 1.1 million EUR
Phare 2003 total	Comprises funds expected from Phare 2003, derived on the basis of the absorption capacity that programmes supporting institutions (Twinning a TA) and Phare programmes for 1999, 2000, 2001 and 2002 have been shown to create; co-financing from the state budget is expected to be 25% of the amount from Phare, i.e. around 5.4 million EUR (16.2 million EUR from Phare)

Phare funding drawn between 2001 and 2003 is shown in the following table:
Breakdown of sources from approved and anticipated Phare funds - estimate

Programme	Budget (in millions of EUR)	Estimate of funds drawn per year (in millions of EUR)		
		2001	2002	2003
CZ/IB/CO-03	0.3	0.3	-	-
CZ 99 02-02	2	1.7	0.3	-
CZ 00-10-02	2	0.9	1	0.1
CZ 00-10-03	2	0.9	1	0.1
CZ 00-10-01	1.5 (HRD 0.5)	0.2	0.3	-
CZ 01-10-03	2 (HRD 0.7)	-	0.4	0.3
Phare 2001-3 IN-HRD	12	-	1.5	8
Phare 2002-3 EQUAL	10	-	2.4	6.4
Phare 2002-IR-ESF	1	-	0.5	0.5
Phare 2002-TA-Twinning	2	-	0.3	0.8
Phare 2002 dev. of empl. services	1.1	-	0.3	0.8
Phare 2003 total		-	-	16.2
Total		4	8	33.2

Funding shown in the table's CR columns for priorities 3.1 - 3.3 encompasses primarily the co-financing of Phare investment programmes, as is mentioned above, where this involves contributions from the state budget and the co-financing of activities that relate directly to preparation for the ESF or for HRD programmes, and that are based on drafts of the National Programme of Preparation for Membership of the European Union (hereinafter only "NPP").

This concerns primarily:

CZ 99 02-02	chapter 313, item 36101, NPP 3.6.1 - Employment - Employment Action Plan (CZ 9902-02)
CZ 00-10-02	MoLSA - chapter 313, item 36101, NPP 3.6.2 - Regional Policy and Cohesion - Northwest Bohemia NUTS II Pilot Programme
CZ 00-10-03	MoLSA - chapter 313, item 36101, NPP 3.6.2 - Regional Policy and Cohesion - Ostrava NUTS II Pilot Programme
ESF preparation	MoLSA - chapter 313, item 36201, NPP 3.6.2 - European Social Fund
Phare 2002-3 IN-HRD	MoLSA - Draft Budget, chapter 313, NPP 3.6.2 - Regional Policy and Cohesion - ESF (ESS)
Phare 2002-3 EQUAL	MoLSA - Draft Budget, chapter 313, NPP 3.6.2 - Regional Policy and Cohesion - ESF (ESS)
Phare 2003	to be included in the MoLSA requirement (chapter 313) and in NPP 3.6.2 - Regional Policy and Cohesion

Funds drawn from the state budget for HRD programmes in 2001-2003 are indicated in the following table:

Programme	Chapter - item for 2001	Co-financing from the state budget (in millions of EUR)		
		2001	2002	2003
CZ 99 02-05	313-36101 Palmif	0.3	-	-
CZ 00-10-02	313-36101 HRD	0.9	1	0.1
CZ 00-10-03	313-36101 HRD	0.9	1	0.1
ESF preparation	313-36201 ESF	2.3	0.1	-
Phare 2002-3 IN-HRD	313-draft	-	0.5	2.9
Phare 2002-3 EQUAL	313-draft	0.3*	0.8	2.2
Phare 2003 total	313-draft			5.5
Total		4.7	3.4	10.8

* + National Employment Action Plan

The division into priorities 3.1 to 3.3 proceeds from the priorities that were applied in the programming of Phare 2000 (see the pilot Sectoral Operational Programme for Human Resource Development) and from the priorities that will be applied in the programming of Phare 2002 and 2003 (see the OP HRD).

The funding estimate given for priorities 4 to 6 of the third "priority axis" proceeds from the estimate for possible projects supporting HRD included in NPP 3.6.2 under Regional Cohesion Policy, e.g. Pilot programmes - the Northwest Bohemia NUTS II region and the Ostrava NUTS II region, Economic and Social Cohesion, etc. The projects are funded mainly from the MRD budget and the Phare programmes directed by this ministry, and shall be in the future, mainly in relation to regional operational programmes.

The co-financing shown in the table includes contributions from the state budget; these fluctuate at around 25% of the programme (initially at around 50%). If the recipient of funds intended for HRD is a profit-making organization, its contribution to the project is taken for granted and the total share from the Czech side may be even higher.

The contribution and cooperation of the ministries involved, especially in the early stages, is set out in the Agreement on Co-financing Projects for Economic and Social Cohesion (ESC) in the National Phare 2000 Programme, which will be concluded between the MTI, the MoLSA, the Ministry of Finance (MF) - National Fund (NF), and the MRD - Centre for Regional Development (CRD) - Implementation Agency (IA).

The flow of funds shall be in accordance with the Phare 2000 Flow-of-Funds Manual drawn up by the MF - NF.

The issue of cooperation is dealt with in the Agreement on Cooperation in Implementing ESC Projects in the National Phare 2000 Programme, which will be concluded between the MRD, the MoLSA and their IAs, i.e. the CRD - IA and the National Training Fund (NTF). A similar agreement will be concluded between the MRD and the MTI.

In the period of Phare 2002 to Phare 2003, an agreement and funding shall be concluded between the MF - NF and the MoLSA and its IA - the NEF (further details in Section 4.2 "Management of the OPHRD").

Upon the Czech Republic's accession to the EU, the standard method of funding from the ESF would commence (between the European Commission's General Directorate for Employment and Social Affairs and the programme's management body - see Section 4.1 "The management body").

CHAPTER 4: MANAGEMENT AND CONDITIONS OF IMPLEMENTATION

The framework for implementing the Operational Programme for Human Resource Development given below will come into effect when the Czech Republic joins the European Union. In the pre-accession period, progress will be made in accordance with Phare regulations. The relevant implementation structure for the pilot OP HRD during this period is set out in Section 4.3.

4.1 The management body

The Czech government has entrusted the Ministry of Labour and Social Affairs with matters relating to preparation for the European Social Fund (ESF), including the overall management of the Operational Programme for Human Resource Development.

The management body will ensure the harmony of the agreements concluded with the Commission and the directives of the Monitoring Board, and will be responsible for the programming, implementation, continuous management and effectiveness of the OP HRD.

The specific responsibilities of the management body will include:

- ensuring the preparation of programme documents on human resources development;
- collating financial and statistical information for monitoring the programme;
- installing computer systems for management, monitoring and inspection;
- preparing and submitting valid applications to the Commission;
- ensuring that all proposed partners abide by the regulations relating to financial co-participation;
- ensuring compliance with the principles of good financial management;
- fulfilling obligations relating to information and publicity;
- preparing and submitting annual and closing reports on the Commission's programme, and organizing mid-term evaluations.

4.2 Management of the OP HRD

Through Government Decree No. 417 of 17 June 1998 on "securing the institutional framework for the Czech Republic's participation in programmes of the European Structural Fund", the government approved the establishing of a pre-accession institutional structure, including the establishing of programme and monitoring boards and their secretariats at both the national and regional level, for both regional and sectoral programmes.

OP HRD boards

The management body will delegate some of its authorities relating to the management and monitoring of the human resources development programme to the Managing Board and the Monitoring Board. The Monitoring Board will play the decisive role in the implementation of the OP HRD programme. The Monitoring Board's main tasks are coordinating the preparation of operational programme documents, processing and approving project selection criteria, approving the composition of the Evaluation Committee, and regularly monitoring and evaluating the programme's implementation. The OP HRD Monitoring Board has the following membership structure:

Presidency: MoLSA

Membership:

representatives of the Ministry of Labour and Social Affairs (MoLSA), the Ministry of Education, Youth and Sport (MEYS), the Ministry for Regional Development (MRD), the Ministry of Trade and Industry (MTI), the Ministry of Health (MH), the Ministry of the Interior (MI), the Cabinet Office, the Ministry of Finance (MF), the Ministry of Foreign Affairs (MFA), regional councils, the Industry and Transport Union, the Confederation of Employers' and Businessmen's Associations, the Bohemian and Moravian Confederation of Trade Unions, institutions for human resources development, institutions of higher learning, research and development bodies, non-governmental non-profit organizations.

The Monitoring Board meets at least twice a year as necessary; it may be convened by its president or on the basis of a written request by a board member.

The Monitoring Board will:

- ensure the appropriate procedure for realizing assistance intended for the achievement of the stated aims, especially:
 - compliance with the regulatory provisions, including those regarding the appropriateness of the measures and projects;
 - the harmony of the measures with selected priorities and anticipated aims;
 - compliance with other Community policies;
 - coordination of assistance from funds and assistance provided by other grant and credit instruments of the Czech Republic or the Community.
- determine conditions for the effective implementation of the measures and criteria for project selection;
- propose all necessary steps leading to the acceleration of implementation where delays are ascertained from regularly provided results and evaluations on the basis of monitoring and continuous appraisal;
- prepare and discuss proposals for the amendment of the OP HRD;
- coordinate publicity - Commission Decree No. 94/342/CE of 31 May 1994 defines measures for information and publicity relating to assistance from the Structural Funds, measures which all member countries must implement;
- propose technical support measures for approval by the president of the board following agreement with Commission representative, and for implementation with the appropriate financial allocation;
- provide a statement of opinion regarding draft annual reports;
- periodically analyse trends of disparity and variation in development using the indicators set out in the programme documentation.

The Management Board will:

- approve the course and results of the process of evaluating grant applications;
- approve the choice of projects for subsequent realization, at the recommendation of the evaluation committee
- propose changes to the criteria and procedures for project selection.

4.3 Implementation structure for the pilot OP HRD

The National Training Fund (NTF) has been proposed as the Implementation Agency (IA) for this part of the programme. During the pre-accession period, the NTF will be responsible for the overall management of the programme in accordance with Phare regulations (and later also those of the European Social Fund), primarily regarding observance of project-selection procedures, monitoring and financial management. The NTF is already performing the duties of an IA for project CZ99-02-02, Employment Support/Employment Measures (in preparation for the ESF). Phare programme proposals in the area of human resources development will also be prepared in 2002 and 2003.

The National Training Fund will be responsible for the administrative, financial and technical management of human resources development programmes, in particular for:

- producing documentation essential for the realization of the programmes (Guidelines for Applicants, Operational Guidelines, and so on);
- ensuring guidance for applicants;
- preparing and announcing calls for the submission of projects;
- receiving and keeping records of grant applications;
- ensuring the evaluation of grant applications, including proposals for the constitution and membership of the evaluation committee, and concluding contracts with external assessors;
- preparing grant agreements;
- continuously monitoring and checking the objective fulfilment of projects, and preparing monitoring reports;
- operating electronic monitoring and information systems, and submitting outputs to the relevant persons or organizations;
- ensuring that projects receive the necessary publicity.

It is anticipated that a Financing Agreement will be concluded between the Ministry of Finance, which administers the NF (National Fund), and the Ministry of Labour and Social Affairs, which administers the NTF (National Training Fund), analogous to the agreement already concluded between the Ministry of Finance and the Ministry for Regional Development (Centre for Regional Development), which sets out the responsibilities of the Programme Approval Officer (PAO) and the requirements for the administrative, financial and technical management of the programme.

The anticipated flow of Phare funds will be directed to the National Fund's account through the MoLSA and the IA, which will have the right of disposal to the account for this programme, to the final recipients. Co-financing from the state budget will be carried out in the following sequence: MF - MoLSA budget - NF.

Once the Czech Republic has become part of the EU, it is anticipated that the MoLSA will be the body responsible for managing and paying for the programmes (projects) supported from the ESF, and that it will be fully answerable to the ESF. Within the MoLSA, these functions will be administered by an ESF unit.

4.4 Monitoring and evaluation

Evaluation

The new regulations for the Structural Funds specify three kinds of evaluation. In the preparation period leading to full implementation of the Structural Funds, the Monitoring Board for Human Resources Development will become involved in the evaluation process.

Ex-ante evaluation: The Commission and the management body will be responsible for this, within the framework of plan preparation. The coherence of the proposed strategies and aims should be judged in relation to the characteristics of the area - the Czech Republic - in the sense of its main problems, such as employment and equal opportunities for men and women, using quantified aims where possible. Ex-ante evaluation results form an integral part of the operational programme.

Continuous evaluation: The management body, in conjunction with the Commission, will be responsible for this evaluation. This kind of evaluation examines primary results, their consistency with the ex-ante evaluation, the relevance of aims, the pertinence of financial management, including planned and actual expenditure, and the quality of monitoring and implementation. This allows possible changes in the running of the programme to be indicated. This type of evaluation is usually carried out by independent assessors whose reports are submitted to the Monitoring Board before formal presentation to the Commission.

Ex-post evaluation: The European Commission, in conjunction with the Czech Government and the management body, will be responsible for this evaluation, which assesses the use of resources and the effects, effectiveness and economy of activities and their consistency with the ex-ante evaluation. This evaluation is also carried out by independent assessors.

All three evaluation reports have the character of public documents.

The information and monitoring system

The implementation of this system will be managed and coordinated by the Ministry for Regional Development and the Ministry of Finance, in collaboration with the Ministry of Labour and Social Affairs. Coordination will be guaranteed for the most part for the Structural Funds, while abiding by the specific requirement of the ESF. The Ministry of Labour and Social Affairs, in conjunction with the Implementation Agency, will have primary responsibility for the realisation of measures 1.1, 2.1 and 2.2. Along with the MoLSA and the IA, job centres will be jointly responsible for the monitoring (implementation) of measure 1.2, and the Ministry of Education, Youth and Sport will be responsible for the fulfilment of priority 3, in collaboration with the MoLSA and the IA.

Annual monitoring reports

As is stated in the new Structural Fund regulations, monitoring reports are to be submitted to the Commission's management body after review and approval by the Monitoring Board within six months of completion of annual implementation. The information given in the reports should include:

- all changes in the general conditions that have influenced the implementation of assistance, such as changes in sectoral policy;
- an account of the progress of implementation for each priority and each measure;
- progress in implementing the financial plan, with appropriate links to the given financial indicators; expenses actually paid by the payment body should be stated for each measure, in addition to payments obtained from the Commission;
- steps taken by the management body and the Monitoring Board in order to ensure the quality and effectiveness of implementation.

4.5 Financial management

Financial and accounting systems

The programme's management body will be responsible for the administration and monitoring of all claims and expenses and for the preparation of invoices for Commission payments.

In addition to this, audits, inspections and examinations at a national level may be claimed in relation to the financial affairs of the Structural Funds.

The accounting system that will be used for implementing the OP HRD will submit detailed expenditure statements, detailed monitoring of each recipient's financial co-participation in each measure, and information on the level of documented expenditure in the national currency, including relevant data on income and payments.
